

JPRS 77649

23 March 1981

# Latin America Report

No. 2275

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## RECENT COAL PRODUCTION, CONSUMPTION, EXPLORATION ACTIVITIES

## Demand to Exceed Supply

Rio de Janeiro GAZETA MERCANTIL in Portuguese 13 Feb 81 p 7

[Text] In 1985 Brazil will consume 29,957,000 tons of coal for generating power [known in the trade as "steam coal"], about 2,957,000 tons more than the government's production goals for that year, estimated at 27 million tons. That information was given this newspaper yesterday by Arcimar Goncalves Baptista, technical assistant for the Brazilian Electric Power Enterprises Support Company (CAEEB), state enterprise responsible for implementing the National Coal Plan. Baptista said confidential CAEEB studies show that in 1985 Brazil will have nine industrial sectors consuming the entire domestic output of steam coal. Forecast demand, by industrial segment, will be: gasification, 8,577,000 tons; iron and steel, 2,079,000 tons; fuel, 4,620,000 tons; cement industry, 5,492,000 tons; thermoelectricity, 4,769,000 tons; paper and cellulose industry, 516,000 tons; transportation, 84,000 tons; minerals pelletization, 1,660,000 tons; petrochemicals (in Camacari, Bahia), 1 million tons. Baptista's data point to a significant change in the structure of consumption: the gasification sector will need the most coal, with fuel coming next, then the cement industry and the thermoelectricity industry, which today is the major consumer of coal, in fourth place.

## Demand for 1981

For this year, CAEEB foresees a demand of 6,314,000 tons of steam coal. Thermoelectric plants will consume 2,270,000 tons, while the cement industry will move to first place in demand for steam coal, with 2,339,000 tons. The fuel sector will consume, according to Arcimar Baptista, 1,420,000 tons. Railroad transportation will demand 45,000 tons; paper and cellulose industry, 114,000 tons; and iron and steel, 126,000 tons.

## Demand in 1982

Demand for steam coal in 1982 will be 11,415,000 tons. According to CAEEB projections, sectoral distribution in 1982 will be: gasification, 287,000 tons; iron and steel, 166,000 tons; fuel, 2,400,000 tons; cement industry, 4,021,000 tons; thermoelectricity, 2,700,000 tons; paper and cellulose, 348,000 tons; railroad transportation, 57,000 tons; pelletization, 332,000 tons; and petrochemical industry, 1 million tons. In 1983, Brazilian demand will be greater: 15,348,000 tons. According to computations by CAEEB experts, consumption will increase about 3,933,000 tons.

## Budget Cuts Jeopardize Program

Rio de Janeiro GAZETA MERCANTIL in Portuguese 11 Feb 81 p 9

[Text] Brasilia--"It certainly isn't easy," said Yvan Barreto, director general of the National Department of Mineral Production (DNPM), yesterday about the possibility of the National Coal Program goal--to produce 27 million tons in 1985--being reached within the established period. In his opinion, "a collective effort" will be necessary, as every goal is always set with "much optimism." Ivan Barreto recalled, for instance, the goal of the National Iron and Steel Program, which has not yet been reached.

According to the DNPM director, the major obstacle to implementing the coal program "is, without doubt, the shortage of funds." He explained that, historically, the minerals sector always takes a long time to provide a return on investment and for this very reason the few funds available are channeled "to other areas that pay off more quickly."

Mines and Energy Minister Cesar Cals himself, Barreto added, acknowledged this situation at today's meeting of the Supreme Mining Council. He asked the companies of direct administration (DNPM and CPRM [Mineral Resources Prospecting Company]) to confine their programs to the designated locations.

Because of the budget cuts that are still being made, the CPRM called off a request for bids from 14 service companies qualified to drill 50,000 meters in Rio Grande do Sul coal-producing areas.

According to Yvan Barreto's explanations, of the total of 1 billion cruzeiros that DNPM intended to invest in the coal program this year, 600 million cruzeiros have been cut. The cut for CPRM was even greater: the enterprise expected to invest 3 billion cruzeiros but will have only 1.5 billion cruzeiros available.

Yvan Barreto explained that an underground mine takes an average of 3 to 5 years to begin production. According to the Mines and Energy Ministry, for the goal of producing 27 million tons in 1985 to be reached, 49 open-pit mines and 10 more underground mines will have to be opened.

Another problem mentioned by the DNPM director is that of transporting coal. According to him, production remained unchanged from 1979 to 1980--at 5.2 million tons--due to lack of transportation.

## Exploration Program Delayed

Rio de Janeiro GAZETA MERCANTIL in Portuguese 13 Feb 81 p 7

[Text] Porto Alegre--The drilling schedule for prospecting for new coal deposits that was to have been 200,000 meters drilled annually is not being met, Rio Grande do Sul Governor Amaral de Souza complained yesterday. He sent a telex to Vice President Aureliano Chaves to express his concern about the matter. "Only 135,000 meters were drilled in 1980 and it is known that only 60,000 meters will be drilled this year," said Amaral de Souza.

In his opinion, "should this prediction be confirmed, there will be considerable delay in the whole program, with resulting impact on the prospecting goals set by the Mines and Energy Ministry itself and of grave significance for meeting the energy mobilization plan's goal to increase production from 5 million to 27 million gross tons of coal by 1985."

Some Rio Grande do Sul experts, however, support another point of view, based upon the principle that there are already measured reserves for increasing production and estimated reserves that should be measured before prospecting is extended to other areas.

A source in the Mines and Energy Secretariat recalled that deposits have been discovered that total over 16 billion tons of coal in Rio Grande do Sul alone. Of this total, 940 million tons are measured, 2.5 billion tons are indicated and 12.6 billion tons are implied. At the national level the situation is the same. Of 22 billion tons of total reserves, 2.1 billion have been measured and hence can be mines.

In view of such figures, these experts reason that it would make more sense, in a situation of insufficient funds for the sector, to channel investments to measuring, if necessary, but preferably to mining projects. Otherwise, the nation would go on increasing its implied reserves of coal without a corresponding increase in physical output.

#### Drilling Contractors Protest Postponement

Rio de Janeiro GAZETA MERCANTIL in Portuguese 10 Feb 81 p 10

[Text] Fourteen service companies qualified through a public bidding to drill 50,000 meters in southern coal regions this year received a letter from the Mineral Resources Prospecting Company (CPRM) canceling the bid, it was reported in Rio de Janeiro yesterday by Hugo Joao Alberto, director of Sulgeo.

Businessmen will meet in Rio today at the office of Geotecnica (another company affected) to analyze the measure taken by the CPRM and set up a committee of contractors and suppliers of drilling equipment that will go to Brasilia tomorrow to ask Mines and Energy Minister Cesar Cals and Vice President Aureliano Chaves, chairman of the National Energy Commission, to intervene.

According to Hugo Joao Alberto, his company has drilled 2,500 meters for the CPRM since August of last year in the Urui I tract of the Rio Pardo region in Rio Grande do Sul and invested about 10 million cruzeiros in purchasing two rigs to do more drilling in the region. The Sulgeo director said businessmen were taken by surprise at the the CPRM decision, notice of which was sent by mail without any prior consultation with businessmen. The first consequence of the measure, he said, would be the unemployment of drilling-rig operators. He estimates that for each drilling rig (there are 50 in operation) contractors will have to lay off 5 operators from their staff. Other losses would be: capital tied up in drilling rigs that have been bought and must be paid for by the contractors to domestic equipment-manufacturing companies; loss of a market; loss of "know-how" by the companies, which have taken an average of 1 year to buy equipment and train workers.

## Explanation

Geraldo Franca Ribeiro, CPRM director responsible for drilling, attributed cancellation of the bid invitation to "the company's shortage of funds." In Franca Ribeiro's view, this was not a "cancellation of drilling operations," but a postponement of the 50,000 meters of drilling planned for this year. "In the letter we sent to the bidders," Ribeiro told this newspaper, "we explained that drilling services would not be contracted during this first quarter of the year due to lack of funds."

"The contractors must understand that it is not a closed matter. Funding for the CPRM was reduced. We expected to invest 2 billion cruzeiros in the coal plan this year and now we have only 1.5 billion cruzeiros. So we decided to reduce services. With the money appropriated for drilling we will finish the drilling begun in 1981 (14,000 meters remain) and wait for authorization of more funding by Brasília," said Franco Ribeiro.

## Production Not Increasing

The Mines and Energy Ministry announced in Brasília yesterday, according to AGENCIA GLOBO, that there was no increase of coal production or consumption in 1980 over that of 1979. Consumption and production remained at 5.2 million tons, even though the National Coal Program was launched in 1980.

According to the ministry, gradual elimination of the subsidy to coal consumption, which fell from 90 percent in January 1980 to 50 percent in December, was the main reason for consumption not increasing. Reduction of the subsidy, raising the real price of coal, caused a reduction of as much as 50 percent of demand from some traditional users such as thermoelectric plants, through moves to more economical consumption.

Without giving any additional information, the Mines and Energy Ministry explained that production failed to increase because "there was a reorganization of the productive system."

## Plans for New Mine

Rio de Janeiro JORNAL DO BRASIL in Portuguese 7 Feb 81 p 15

[Text] Porto Alegre--When at full operation in 1984, the Leao II coal mine of the Rio Grande do Sul Mining Company [CRM] should double Rio Grande do Sul coal production, now 2.5 million tons per year. Representing an investment of \$180 million to be covered by funds from the CRM and the Energy Mobilization Program and financing by the Inter-American Development Bank, the Leao II mine will be producing 2.4 million tons of ROM ["run-of-mine": not graded] coal in 1985.

Coal reserves at the site are estimated at 170,770,000 tons. Its output will be sent to the PETROBRAS [Brazilian Petroleum Corporation] gasification plant to be built in Sao Jeronimo and also to the cement industry. The mine will be completely mechanized, with access through 2 inclined planes over 800 meters in length.

## Rectangle

The Leao mine is located in the municipality of Butia, 90 kilometers from Porto Alegre, where the Leao I mine is already in operation. Current Leao I output, from

underground mining, of 20,000 tons a month will be expanded by the end of this year to 50,000 tons a month of ROM coal. The Leao II mine is being installed in an area of 90 hectares, 80 of which will be used for its facilities. The area to be mined is in the shape of a rectangle measuring about 7 kilometers by 6 kilometers.

The project is now at the stage of constructing the inclined planes that will serve as access tunnels and that are now more than half completed, with completion expected by June of this year.

#### CNP Pricing Policy Criticized

Rio de Janeiro GAZETA MERCANTIL in Portuguese 6 Feb 81 p 8

[Text] Sao Jeronimo--The price structure adopted by the National Petroleum Council (CNP) for coal could delay the energy program for replacing fuel oil, as the sector's private firms are not in a position to make investments, according to the president of the Rio Grande do Sul Mining Company, Flavio Brinckmann.

"Just look at who is now putting money into new mines: only Prospera, of Santa Catarina, and the CRM, which are state enterprises. Several private concerns ended their latest reporting period with losses on their books," he said.

The CNP maintains a price structure that does not take into consideration new factors involved in producing coal and has readjusted costs according to the Indexed National Treasury Bonds (ORTN), which over the years caused a big gap between its prices and actual mining costs. "Figure the difference, over 2 years, between the ORTN adjustments and wage increases, for example, and you will have an idea of the problems miners are facing," Brinckmann pointed out.

According to him, CNP price policy for coal is based upon "an old error that preceded the impetus given coal by rising petroleum prices and that ignored the need for a decent rate of profit from coal mining," he said. "Theoretically, we are still a capitalist country and if you haven't a profit you can't reinvest in your business."

Brinckmann also criticized the government's current policy of awarding new mines to enterprises without experience in coal mining. "Why the Cement Industry Association? What do they know about mining?" he asked.

In his opinion, the model to be followed should only benefit companies already operating in coal mining, even allowing for the inferior technical level of such companies: "Even so, good or bad, it is they who know something about mining and can most readily improve output / adopting more modern technology."

His concern about fulfillment of the coal program schedule, which is for increasing production from 5 million tons to 27 million tons by 1985, is related mainly to the role reserved for private enterprise in this effort. "There are about 15 companies mining coal in Brazil and only the 2 state enterprises are investing. Without an adequate price policy private enterprise will be reluctant to carry out the projects it is now planning," he said.

### Coke Import Quotas Set

Rio de Janeiro JORNAL DO BRASIL in Portuguese 13 Feb 81 p 15

[Text] Brasilia--The National Petroleum Council issued a ruling yesterday that establishes a goal of 178,700 tons for coke imports by the domestic iron and steel industry in 1981. Within 30 days it will issue a ruling establishing the goals for required purchase of domestic coke by Brazilian iron and steel companies.

The following quotas were set for importers and distributors: Cabomar, 12,500 tons; KOK, 6,000 tons; Buche & Lepper, 5,500 tons; Cory & Brothers, 5,000 tons; Cabocoque, 3,500 tons; Aguiar Aranha, 3,000 tons; G. Schumacher, 1,500 tons; Pifter, 1,000 tons; Quicol, 1,000 tons; and R. G. Ramos, 1,000 tons.

The following quotas were set for importers who are consumers: Fundicao Tupy, 8,500 tons; Sociedade Tecnica de Fundicao, 3,500 tons; Gerais, 6,000 tons; Ford do Brasil, 3,500 tons; Fundicao de Ferro Fox, 3,500 tons; Maquinas Vargas, 3,000 tons; Industrias Romi, 2,000 tons; Progresso Metalfit, 1,500 tons; Marchesan Implementos e Maquinas Agricolas Tatu, 1,200 tons; Metalurgia Ferrabras, 750 tons; Simetal, 6,000 tons; Fundicao Aldebara, 500 tons; and Companhia Geral de Industrias, 400 tons.

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## LACK OF PETROBRAS SUCCESS IN OIL DRILLING DISCUSSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Feb 81 p 47

[Article by Jose Roberto Arruda: "PETROBRAS Still Without Success in Production"]

[Text] Rio de Janeiro--In recent years PETROBRAS [Brazilian Petroleum Corporation] has discovered many new oil fields on the continental shelf but has not managed to put them in production at a rate to meet the needs of a nation in serious straits to improve its balance of payments. For this reason, the state enterprise today holds the record for a petroleum-producing country that extracts the least petroleum in relation to its proven reserves. Continual accidents and permanent delays mar the programs of offshore exploration, a picture that does not seem to have prospects of early change.

After a 5-month interruption, PETROBRAS is reactivating its provisional Garoupa system, with less production than previously (35,000 barrels compared to 40,000), a reduction explained as a safety measure. The series of accidents that have involved offshore exploration demonstrate the difficulties faced by the enterprise in absorbing a still-recent technology, according to Brazilian businessmen.

PETROBRAS technicians, however, feel that Brazilian manufacturers should also share the blame because they deliver orders late and do not always meet the specifications stipulated in the contracts. The country thus has greater need for foreign exchange to import an increasingly expensive petroleum supply and the consumer suffers directly because domestic production has been practically unchanged for 10 years, even though there have been large discoveries during this period.

According to PETROBRAS information, 190 million barrels of petroleum were discovered last year alone, which is enough for 520,000 barrels a day. With this, our reserves reached 1.7 billion barrels. PETROBRAS itself reports that there is no possibility of predatory exploitation of its wells, showing that its production ratio is 1 barrel extracted for 20 held in reserve, while this ratio in other countries is 1 to 10 and in the United States it is 1 to 6.

How does one explain this excessive caution of PETROBRAS, wanting to produce very little in order not to exhaust its reserves, while the nation's economy is being exhausted by immense efforts to import petroleum and keep the country going?

## Frustration

In the opinion of experts, the "excessive zeal" of PETROBRAS can be explained only by the increasingly greater difficulties faced by the company in putting the offshore discoveries into production. Such difficulties are not new. When the Garoupa field was discovered in the Campos basin a wave of optimism surged through the company, with the then minister of mines and energy, Shigeaki Ueki, promising to dance in the Plaza of the Three Powers donned in a barrel.

It was believed that a gigantic field had been discovered, which did not meet expectations. Later, successive discoveries of several other small fields such as Farga, Enchova, Namorado, Bodejo--all named after fish of the region--partly made up for the frustration. In other words, a gigantic field was hoped for, but what was discovered was a province of small, nonuniform fields separated by great distances.

While it was still thought that the field was large, the provisional Garoupa system was planned with the expectation that it would be possible to extract 40,000 barrels a day from 5 wells, with an average flow of 5,000 to 9,000 barrels daily from each. As the Garoupa field did not meet expectations--the initial flow of the first wells was between 1,500 and 2,000 barrels daily--it was necessary to redo the whole engineering structure of the provisional system, broadening its base to look for other remote fields, such as that of Namorado. At that time the PETROBRAS technicians were already worried about the system's safety and the engineering plans made by CBI--Chicago Bridge and Iron--had to be revised quickly.

## Even Deaths

Besides the accident of 7 September 1980, two other serious accidents involved the equipment intended for the Campos basin: sinking of the provisional system's support tower in Mangaratiba while it was being hauled to the Campos basin and shipwreck of the Namorado platform off the coast of England. There were accidents such as the death of divers when a helicopter contracted by PETROBRAS crashed. But PETROBRAS says these companies were subcontractors and they are responsible for these events.

A questionnaire from O ESTADO DE SAO PAULO about the Garoupa accident was partially answered by PETROBRAS. The company excused itself by alleging that other accidents, some with more serious consequences, have occurred in other parts of the world, as in the Gulf of Mexico and the floating hotel that sank in the North Sea. Offsetting that, England and Norway managed to put their North Sea discoveries into operation within 6 years.

In regard to responsibility, PETROBRAS did not hold any investigation to ascertain the causes of the accident. According to its industrial director, Orfila Lima dos Santos, "this is not a matter for investigation." The company said it is analyzing the matter at several levels and the first conclusions indicate that the accident was caused by materials fatigue, even though all quality-control steps were taken and the material was inspected by all sophisticated methods used in similar construction throughout the world.

## Cause of Accident

PETROBRAS also asserts it is reviewing all computations used for the project, with the purpose of determining the causes precisely and using such data in future offshore projects. It also reported that temporary interruption of the supply of 40,000 barrels a day as a result of the accident did not cause an increase in imports, because there was more use of reserve stocks after the government set 100,000 barrels a day as the ceiling for foreign purchases to make up for the interruption of supplies from Iraq due to the war with Iran.

The only advantage from interrupting the Garoupa provisional system was limiting losses arising from burning large quantities of natural gas. Only in August, after building a gas pipeline to Macae, could PETROBRAS make use of the 5.4 million cubic meters of gas it had been burning. But the company insists that the losses or profit reduction are about 300 million cruzeiros a month, or 1.5 billion cruzeiros in 5 months. Regarding the lack of safety measures, it explains that in view of the need to strengthen its basic activities, it tried to limit expenses.

In choosing to reduce expenses, any company is faced with the alternative of taking greater risks. On the other hand, says PETROBRAS, in the petroleum field insurance generally does not cover interrupted profits or currency devaluation during the time of disablement. "Every insurance policy has a list of risks excluded from coverage, which forces us to identify the cause of the accident as soon as possible," according to PETROBRAS, which still does not know the cause of the Garoupa accident.

## Responsibility

Intractable to criticism, the PETROBRAS bureaucracy labels those who call attention to its faults and deficiencies "enemies of the nation." Its esprit de corps has developed to the point of confusing the interests of its well-paid employees with those of the company and the latter's interests with those of the nation itself. In delaying putting its offshore wells into production, PETROBRAS itself is exposing its flanks to the interests of foreign companies.

As the top executives of PETROBRAS themselves are accustomed to classify its critics as unpatriotic, and consider absurd the idea of holding an inquiry to ascertain responsibility for the Garoupa accident, it is worth looking for a moment at the example of another country, China. According to the magazine CHINA, MUNDO ILUSTRADO, the Bohai-2 drilling platform sank in the Gulf of Bohai in November 1979, and only 2 of the 74 crew members were saved.

After the sinking, the Petroleum Industry Ministry of China delayed in reporting the causes of the accident in detail. The minister had to make a confession to the Communist Party and all employees of the Chinese petroleum enterprise were put on trial by the people and were given sentences ranging from 1 to 4 years in jail for violating Article 187 of the Code of Penal Procedures of the Republic of China.

Ma Jixiang and Wang Zhaoushu were sentenced for "culpable negligence in performance of duty" to 4 and 3 years respectively; Zhang Dejing and Lin Yungshi were sentenced to 2 and 1 year respectively. All are employees of the Chinese company equivalent to our state enterprise. The magazine also says that this sentencing was an example to the entire administrative bureaucracy of that country.

## ELECTRIC POWER CONSUMPTION RISES 11.8 PERCENT DURING 1980

Rio de Janeiro GAZETA MERCANTIL in Portuguese 3 Feb 81 p 12

[Text] Brasilia--Electric power consumption increased 11.8 percent last year. The nation now has about 31.8 megawatts (Mw) of installed capacity. A highly-placed source in the National Water and Electrical Power Department (DNAEE) considers this rate of growth excessive for current times. The source recalls that the sector's growth rates during the last 10 years were between 10.7 percent (in 1975) and 16.5 percent (in 1973), which he considers "very high for the nation's growth."

Compared to the performance of gross domestic product (PIB), the gap became significantly greater after 1975, when the government began investing more in the electric-power sector and thus provided more electricity. According to the DNAEE source, this gap will continue to exist for a few years but the government's intention is now to reduce the nation's growth rate as well as that of some sectors, including electric power. This is why, he adds, ELETROBRAS [Brazilian Electric Power Companies, Inc] investments for 1981 were reduced substantially and no new projects may be started.

## Expansion

According to data reported yesterday by the Mines and Energy Ministry (MME) press relations department, expanded generating capacity for electricity is due to entry into operation and increased output of the following hydroelectric plants:

Foz do Areia (of COPEL [Parana Electric Power Company]), 418 Mw; Salto Santiago (ELETROSUL [Southern Electric Power Plants]), 333 Mw; Itumbiara (FURNAS [Furnas Electric Power Companies, Inc]), 1,050 Mw; Salto Osorio (ELETROSUL), 175 Mw; and Paulo Afonso IV and Sobradinho (of CHESF [Sao Francisco Hydroelectric Company]), with 820 Mw and 350 Mw respectively. The share of thermoelectric plants was 217 Mw, from the Porto Velho (CERON [Rondonia Electric Company]), Boa Vista (CER [Roraima Electric Company]), Tapana 11 (ELETRONORTE [Northern Electric Power Plants]), Camacari (CHESF) and Jorge Lacerda (ELETROSUL).

In 1980 ELETROBRAS raised the current inventory of the nation's hydroelectric potential to 213,000 megawatts, the MME release says. Its subsidiary, Furnas Electric Power Plants, Inc, put into operation three turbogenerator units of the Itumbiara hydroelectric plant to produce 350 Mw, and the three remaining turbines should be in operation by the end of this year. For transmission, construction and start-up of converting stations is to begin in Itaipu and Sao Roque, for which ELETROBRAS has

signed financing contracts with a Swedish bank. By the end of this year ELETROBRAS is to put in operation the alternating-current transmission systems between Ivaipora and Tijuco Preto.

Also by the end of this year, ELETROBRAS is to divert the Tucuruí River to construct the Tucuruí hydroelectric plant which, according to plans, will begin commercial operation in 1984. In regard to plans for the Balbina and Samuel hydroelectric plants, construction will be started now on the former and the request for bids on the latter's construction was published only recently.

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CSO: 3001

## GOVERNMENT REVEALS NATIONAL GASOHOL PRODUCTION

San Jose LA NACION in Spanish 21 Feb 81 p 10A

[Text] Because of the constant increase in petroleum prices, the government has established its national gasohol production plan, the president, Rodrigo Carazo Odio, has announced.

This plan will attempt to produce this year 10 million liters of gasohol to supply about 2,500 automotive vehicles which will be converted to operate on gasohol at the INA [National Apprenticeship Institute] and in private automobile service shops which may be authorized to do such work.

These 10 million liters will be produced by the CATSA [Tempisque Agricultural Facility, S.A.] and by the new National Alcohol Plant now being completed in Grecia, Alajuela.

The plan also includes the immediate installation of distilleries at San Isidro de El General, Santa Rosa de Cutris de San Carlos, and in Talamanca. Each distillery will have a production capacity of up to 30,000 liters a day.

The National Production Council has awarded bids to three private Costa Rican firms to produce 150 million liters a year. These distilleries will be located in Los Chiles, Upala, and in Guapiles (probably). The names of these firms were not released.

At the same time the Ministry of Energy has authorized the operation of small distilleries that will work under the supervision of the University of Costa Rica; this supervision is necessary in order to ensure that their production will be destined solely for fuel consumption.

It was reported that the distilleries of Los Chiles and Upala will use sugarcane. The Atlantico distillery is to use yucca and banana wastes.

In order to stimulate the planting of sugarcane the Central Bank of Costa Rica will provide financing for the crop through commercial banks in the national system. The credits granted on 3 August 1980 by the governments of Mexico and Venezuela will be made available. This sugarcane production will not affect the mills that produce sugar.

The INA is converting 1,000 government cars. It is also training technicians so that private enterprise will be able to convert 1,000 additional vehicles this year.

The government has decided that in the next bids for taxis, it will only allow vehicles with alcohol-fueled engines to participate.

As soon as a sufficient number of cars can use pure alcohol, the CATSA plant in Guanacaste will be modified; it can now produce only anhydrous alcohol.

As an essential feature of this plan, a distribution system that will enable the public to buy this fuel all over the country will be set up.

When the program was announced, Carazo was accompanied by the vice president of the republic, Dr Rodrigo Altmann, who is in charge of this program, and the minister of energy, Mr Fernando Altmann.

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## HIGH POTENTIAL FOR GEOTHERMAL ENERGY DISCOVERED

## World Scientists Study Advances

Managua EL NUEVO DIARIO in Spanish 18 Feb 81 pp 1, 9

[Article by Emigdio Suarez]

[Excerpt] The participants in the first colloquium on geothermal energy, who are meeting in Managua, yesterday visited the Momotombo site in order to explore in the field the advances made by our country in geothermal energy.

Among yesterday's visitors, who were accompanied by representatives of the media from Managua, were Mauricio Girelli, Paulo Liguori, and Franco Barberi of Italy, Gustavo Guellar and Andres Merla of the OLADE [Latin American Energy Organization], the New Zealand experts W. E. Stilwell and W. A. Mahon, and Jesus Rivera of Mexico.

They were accompanied by Nicaraguan staff members from the INE [Nicaraguan Energy Institute], the engineers Ernesto Martinez Tiffer, Roger Arcia, and Carlos Ferrey.

The purpose of this visit was to evaluate the work done on feasibility studies for the first Nicaraguan geothermal plant and to determine the probable behavior of the Momotombo geothermal field when the two plants planned for it are actually operating.

The feasibility study for the first plant, which is already under construction, was done by specialists from Electroconsult, an Italian firm which is working with Nicaragua on behalf of the government of Italy; Italy will probably finance a large part of the project.

At present the work in progress is being paid for by funds from the INE.

## Seventy Consecutive Years

During yesterday's visit the specialists who are taking part in the colloquium said that in this area there is enough energy to last a lifetime; in response to questions, they said that calculations indicate that the field could generate energy for about 70 consecutive years.

The work being done in the area now consists of offices for staff personnel, the machinery building, cooling towers, a substation that will be connected with the La Paz Center station, and then connected to the national system. It is expected that this work will be completed by October 1982.

There are plans to generate 35 megawatts with this Momotombo plant, for an investment of \$55 million, of which Italy has pledged \$35 million.

Explaining the importance of this investment, one of the Nicaraguan staff said that with this 35-megawatt plant, \$60,000 a day could be saved.

One of the problems confronted in the first phase of the plant work is the problem of where to put the hot water that is separated from the steam and which comes out of the wells.

A number of options are being studied; one of them--to transport it to Xolotlan--has been discarded because of the damage it would cause to the lake.

The other options are to create a small channel and send the hot water to the sea or to reinject the water into wells that are not producing. This latter formula appears to be the most feasible, and further studies are now being made of this option.

The Momotombo site already has a huge drill donated by the Mexican government; it stands 136 feet high, has a drilling capability of 3,000 feet, and at today's prices its cost is approximately \$2 million (20 million cordobas at the official exchange rate).

This drill, which attracts attention because of its huge size, is the first of two to be given by the government of President Jose Lopez Portillo. It is so enormous that it had to be separated into five parts to be transported. It can be used both for oil exploration and for drilling wells for geothermal energy.

### Conclusions of Meeting

Managua EL NUEVO DIARIO in Spanish 21 Feb 81 pp 1, 10

[Text] In Nicaragua our geothermal potential exceeds our country's energy requirements.

This was one of the important conclusions reached yesterday by the first colloquium on evaluating the geothermal field of Nicaragua, which was held in our country and was attended by some of the world's leading scientists in this field.

For 5 days the experts analyzed the status of geothermal energy in Nicaragua during lengthy sessions that were held at the Hotel Intercontinental-Managua.

The study and evaluation also led them to explore "in the field" the status of Nicaragua's geothermal fields, and after all the analyses and discussions the following conclusions and recommendations were made.

1. The suitability of building the first 35-megawatt unit, which is now under construction at the Momotombo field, was fully confirmed.
2. Due to the lack of information now available, it was recommended that instead of proceeding with another 35-megawatt plant, as had been originally considered, new smaller units be built.
3. The exploration and study of fields considered more promising than Momotombo was recommended. Such fields might include the Hoyo-San Jacinto field, whose prefeasibility studies will be done by the OLADE; a prefeasibility study will also be made of the Masaya-Mombacho-Nandaime field, at the cost of the Italian firm Electro consult.

The conclusions also recommended "systematizing existing and future information." All of the participants in the colloquium fully agreed that "Nicaragua's geothermal potential exceeds the nation's energy requirements."

This meeting was organized and cosponsored by the INE and the OLADE, which sent its leading specialists to attend the colloquium in Managua.

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## FOREIGN FIRM TO COORDINATE ORINOCO EFFORTS

Caracas EL UNIVERSAL in Spanish 24 Feb 81 Sec 1 p 18

[Text] The coordination of the execution of the projects to be undertaken by LAGOVEN in the Orinoco Petroleum Belt will be carried out by a foreign company, according to a disclosure made by Dr Guillermo Rodríguez Eraso, president of that subsidiary of Venezuelan Petroleum, Inc. (PDVSA).

The petroleum executive said that Venezuelan partners would also take part in the coordination.

Moreover, the board members of PDVSA stated that the development of the Belt must begin, so as to guarantee the production that will be consumed domestically by the end of this century.

Yesterday, the heads of the nation's oil industry attended the meeting of the Senate Mines and Hydrocarbons Commission, chaired by Dr Octavio Lepage, to report on the goals set for the development of the Orinoco Belt.

Attending the meeting with the members of Congress was the president of Venezuelan Petroleum, Inc., Gen (ret) Rafael Alfonzo Ravard; the president of LAGOVEN, Dr Guillermo Rodríguez Eraso; the president of MENEVEN, Dr Bernardo Díaz; the president of MARAVEN, Dr Alberto Quiroz Corradi; and the president of CORPOVEN, Dr Juan Chacín. Drs Humberto Penaloza and Paul Reimpell, board members of PDVSA, also participated.

In addition to the chairman of the commission, the meeting was attended by Senators Valmore Acevedo Amaya and Edecio La Riva Araujo, from COPEI [Social Christian Party], and Pompeyo Marquez, from MAS [Movement for Socialism].

Before giving the floor to the specialists in the field, Gen Alfonzo Ravard stressed that it was a mistake to say that the development of the Belt is being carried out in a hasty manner. The arguments supporting the contrary view were given in detail by Dr Paul Reimpell.

That official explained that, since 1977, a series of projections have been made on the growth in the demand for energy for domestic consumption. He noted that the growth is closely related to the increase in the population and in the territorial product.

Reimpell reported that two projections were made for the end of the century: a high one amounting to 6.8 percent, and a low one totaling between 3 and 4 percent.

According to the low projection, by the end of the century the equivalent of 1.9 million barrels of oil per day would be needed; and, in the case of the high one, 2.75 million barrels per day would be required.

If the high projection is used as a basis, it means that all energy sources must be resorted to, coal production must be increased from 0 to 2,000 metric tons, hydroelectric power and gas must be doubled, and the maximum effort must be made in oil production (with a minimum of 1.7 million barrels per day).

In the event of slow growth, the pressure on coal and hydroelectric power would be reduced slightly, and the oil production would be 1 million barrels per day.

Reimpell said that the average real requirements will stand between 1 million and 1.7 million barrels of oil.

He observed that, for all those reasons, an attempt is being made to raise the potential of oil production. He noted that the development was being carried out in the assigned areas, taking place later in the adjoining areas, then in the offshore areas, and finally in the Orinoco Petroleum Belt.

The Belt has an area of 54,000 square kilometers, and is between 600 and 700 kilometers long, reaching a width of 100 kilometers in some sections.

When the foregoing conditions were examined, PETROVEN devised the following strategy:

1. General exploration, in order to take inventory of the resources and better decide on the distribution.
2. Selection of the most prospective areas, and evaluation thereof. The first evaluation will be made in 1983, when they expect to have drilled 500 wells.
3. Investigation of technologies for production, transportation, secondary recovery, betterment, adaptation and development of our own technology.
4. Planning studies.

The PETROVEN executive revealed that, according to plan, they expect the Belt to produce 200,000 barrels of oil per day by 1988. This production will be concentrated essentially in the Cerro Negro and Guanipa 100 areas.

The next speaker was Dr Humberto Penaloza, who said that the regional integration of the project included territorial regulation and environmental protection. For this purpose, they have arranged a study with the minister of renewable natural resources.

Penaloza declared that the plan contains a suitable programing for the impact of the development of the Belt area. The Venezuelan Institute of Petroleum Technology (INTEVEP) is making a study of the environmental problems.

He also remarked that the development of the Belt affords an opportunity to transform the country's industrial plant over the long term.

The presidents of LAGOVEN, MENEVEN, MARAVEN and CORPOVEN, subsidiaries of PETROVEN that are responsible for the exploration and development of the Orinoco Belt, provided abundant information on the activities that they are currently carrying out in the area.

Dr Rodríguez Eraso, president of LAGOVEN, explained that the region assigned to them south of Monagas covers 6,000 square kilometers. He said that the exploration began in 1979, with 16 successful wells. In 1980, there was an increase to 100 wells; and in 1981 they expect to drill 77. At present, they have drilled 136 wells, six of which are dry.

The president of LAGOVEN stressed that Cerro Negro is the area in which they will concentrate their operations, and where they expect to obtain the 125,000 barrels per day by 1988.

He noted that they were also assigned the South Monagas and Anzoategui Development (DSMA) project. The planning features of that project were devised in 1978, and are as follows:

1. To improve 125,000 barrels of crude per day from Cerro Negro; takeoff in 1988.
2. Possible expansion to 500,000 barrels per day by the year 2000.
3. Maximize native participation.
4. Develop needed personnel.
5. Environmental protection.

Senator Lepage interrupted on several occasions to inquire about the participation of the North American company, Bechtel, in the aforementioned project.

In response to the query, Dr Rodríguez Eraso said that it had been realized that they needed a company to help them in the coordination and planning process. Bechtel was chosen from among 18 companies that took part in the bidding. He said that 25 percent of the work is being done by LAGOVEN personnel, 24 percent by native consultants and 51 percent by foreign consultants.

They expect a high percentage of native firms to participate in the construction of the facilities required by the project. He emphasized that, for the coordination of this work, a general executing coordinating entity (a foreign firm) would be hired, with Venezuelan partners. That firm has not yet been selected, despite the fact that they opened the bidding in July 1980. He stressed that this coordinating firm would only render services.

In response to a question, Dr Rodríguez Eraso gave assurance that everything that has been said up until now about the cost of the project is speculation. However, he admitted that the cost of the coordinating services has been estimated at between 2,000 and 3,000.

Dr Bernardo Diaz, president of MENEVEN, like his colleagues, used slides and transparencies to provide the information. The Guanipa 100 project should produce between 75,000 and 100,000 barrels per day by 1988. The strategy to be pursued is the following:

1. Optimal production of reserves.
2. Production of commercial crude.
3. Maximum utilization of MENEVEN's experience in petroleum operations.

Dr Diaz commented several times that the first phase of the planning was carried out by the firm's personnel. They plan to hire a foreign company as a consultant during the final planning phase.

They have drilled 141 wells, and have evaluated 58 of them, with 80 percent success.

The estimated investment from 1979 to 1988 is 5.65 billion bolivares. Of that total, 800 million will be for exploration (14 percent), 4.1 billion for production (73 percent) and 750 million for services (13 percent). According to the calculations, with inflation the total cost could amount to 9 billion bolivares.

No development projects have as yet been established for MARAVEN and CORPOVEN. They are responsible for the exploration of the assigned areas. Alberto Quiroz Corradi, president of the first of the aforementioned companies, said that the area to be covered by them measures 14,500 square kilometers. Of that area, 40 percent is located in the state of Guarico, and the rest in the state of Anzoategui. The area does not contain over 30,000 inhabitants. The approximate cost of the projected work until 1982 is 950 million bolivares.

The president of CORPOVEN, Dr Juan Chacin, reported that the assigned area covers 23,000 square kilometers. Between 1980 and 1983 the drilling of 128 wells is planned. The amount of the investment is 870 million bolivares.

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## PDVSA DEFENDS RAPID ORINOCO DEVELOPMENT

Caracas EL NACIONAL in Spanish 24 Feb 81 p D-1

[Text] According to the projections on growth in the domestic demand for energy made by Venezuelan Petroleum, Inc. [PDVSA], the energy requirements by the end of the century will stand between 1.9 and 2.75 million barrels per day, which necessitates an increase in alternate energy sources and warrants the development of the Orinoco Oil Belt.

Insofar as petroleum is concerned, if sources that make it possible to replace the production from the assigned areas are not developed between 1995 and the year 2000, we shall not have crude to export.

These were some of the explanations given by the executives of Venezuelan Petroleum, Inc., and its subsidiaries (CORPOVEN, MARAVEN, LAGOVEN and MENEVEN) to the members of the Senate Chamber's Mines and Hydrocarbons Commission, who invited them to begin the evaluation of the Venezuelan oil industry and, primarily, to learn the reasons for the acceleration in putting the Orinoco Belt into production.

Gen Rafael Alfonzo Ravard, president of PDVSA, recalled that, from 1970 to the present, Venezuelan oil production has declined by a million barrels per day; and hence the effect of reducing the anticipated potential has occurred. If measures are not adopted in this regard, disturbing circumstances may be anticipated in the future because the increase in the domestic demand will accelerate simultaneously. He stressed that the Venezuelan oil industry is being run by native and not foreign companies, and denied that the Belt is "North American territory."

It was Dr Paul Reimpell, executive of PDVSA, who explained that, according to the prospective studies that have been made on the growth in demand, "it is directly related to the growth of the population, and the territorial product, and the composition thereof."

He remarked: "Two projections have been made: one of high growth, amounting to 6.8 percent; and one of low growth, standing between 3.8 and 4 percent. This would indicate to us that, by the end of the century, the total low growth would be equivalent to 1.9 million barrels per day, and the high growth would amount to 2.75 million barrels per day."

This means that it will be necessary to increase coal production from zero to 2,000 metric tons; to double hydroelectric power by the equivalent of half a million barrels of oil per day; to double gas production with maximum effort; and to raise

oil production by 1.7 million barrels per day, because the rest of the energy sources would be producing to the maximum extent. This pertains to the instance of the high growth projection.

In the event of low growth, the pressure on coal and hydroelectric power would be reduced, the effort with respect to gas would be maintained, and a million barrels of oil per day would be required. In conclusion, making an approximation between the high and low requirements, the need for petroleum development by the end of the century would arise between 1 million and 1.7 million barrels of oil per day, to meet the domestic demand which, according to Dr Reimpell, is not all waste, because the majority of economic activities require energy consumption. In any event, the projections take the government measures for energy savings into consideration.

Hence, the need to increase the production potential has been proposed: first, with the use of the adjacent areas; later, with offshore development; and, finally, with the programs in the Orinoco Oil Belt, which would be used for what the first areas (the assigned, adjacent and offshore) cannot produce.

#### The Orinoco Belt

The FOYSA executives explain that the Orinoco Belt has an area of 36,000 square kilometers (nearly double the traditional areas), between 600 and 700 kilometers long and as much as 100 kilometers wide. It is not a continuous petroleum belt, but rather consists of different deposits of viscous, extra-heavy crude, difficult to remove, which is almost solidified when it reaches the surface. It contains impurities, especially metals and sulfur, which make refining difficult.

With these features, the evaluation of the strategy for its development in four areas has been made: 1. exploration to take inventory of the resources and to determine the distribution and quality of the crude; 2. selection of the most promising areas, and evaluation (to be made over the next 5 years); 3. investigation of technology for production and transportation, and improvement of our own technology; 4. planning studies. The first evaluation will be made in 1985, with about 500 explored wells.

Thus far, the goal set for 1989 is the production of 200,000 barrels per day: 125,000 in Cerro Negro-Degollat, which will constitute the DSMA (South Monagas and Anzoategui Development) project to be carried out by LAGOVEN; and between 75,000 and 100,000 barrels per day, in addition, from the Guanipa 1100 project, to be developed by MENIVEX. The other subsidiaries are engaged in the exploratory phase.

"This is what has been approved, and responds to the concerns, indicating that the work is not being done in an improvised manner. We are responsible for maintaining the future demand, and for guaranteeing the supply. The Belt accounts for 10 percent of the total investment."

Another FOYSA executive, Humberto Penalosa, explained that firm's interest in carrying out the process of exploration and development, taking territorial integration and environmental protection into account, because they are aware that an impact on the environment will occur as a result of the work that is under way.

## The Subsidiaries

The presidents of each of the subsidiaries of Venezuelan Petroleum, Inc. explained the work that they are doing in the Orinoco Belt. Guillermo Rodriguez Eraso, president of LAGOVEN, noted that they are responsible for developing an area of 6,000 kilometers (slightly over 10 percent of the Belt), in the Cerro Negro area, in southern Monagas. The exploration began in 1979, with the drilling of 16 wells, all of which were successful. In 1980, 100 wells were drilled, and in 1981, they expect to drill another 77. Of the 136 wells that have been drilled to date, only six have proven dry. The average initial production is 600 barrels per day, and by 1988 they expect to produce 125,000 barrels per day.

With respect to DSMA, the features of its plan are to improve those 125,000 barrels of crude in Cerro Negro (to produce better quality); for which purpose it needs to produce about 170,000 barrels with commercially approved technology, and with a potential for expanding to 500,000 barrels per day by the year 2000.

Dr Rodriguez Eraso then explained the reason for the participation of foreign companies in this process, especially that of the North American firm, Bechtel:

"We realized the need for foreign assistance in the coordination of these studies. We held bidding in which 18 companies participated, and we chose Bechtel, because it offered the best package and the best personnel. But that company has been working with us shoulder to shoulder. In Caracas, of the 90 persons only 28 are from Bechtel. The rest is our personnel."

He added that 49 percent of the work for this planning phase will be done in Venezuela and by Venezuelans. The rest (especially insofar as refining is concerned) will be done by Bechtel, "which is a consultant in this planning phase."

As for the execution, it will also require a foreign coordinator for the management of the project. That coordinator has not yet been selected, "but is necessary, because there is no experience in Venezuela. This coordinator will provide a service, and guarantee that the executors fulfill their obligations."

The president of LAGOVEN considered it hasty to talk about costs, "because there is nothing official." But he remarked that the services of that coordinator could cost between 2 and 3 billion bolívares.

## Guanipa 100+

The goal of the Guanipa 100+ project being carried out by MESIVEN is to develop an optimal potential of 100,000 additional barrels per day by 1988.

Bernardo Diaz, president of the company, explained that the first planning phase for the execution of this project has been completed, with internal personnel. "We shall now proceed to the planning per se, and both Venezuelans and foreign personnel will be associated therein."

He added: "We have drilled 141 wells and evaluated 58; and the success has been 80 percent. A total of 145 deposits have been discovered, and the current production potential is 500 barrels per day."

The estimated investment during the period from 1979 to 1988 (without inflation) is 5.65 billion bolivares, of which sum 800 million are for exploration (14 percent), 4.1 billion for production (73 percent) and 750 million for services (13 percent). Taking inflation into account, the cost could amount to 9 billion bolivares.

No obstacles are anticipated in attaining the goal of 100,000 barrels per day by 1988.

#### MARAVEN

The MARAVEN subsidiary is in the phase of general exploration of the area known as Zuta, in the Orinoco Belt. It is an area measuring 14,500 square kilometers, 40 percent of which is located in Guarico, and the remaining 60 percent in Anzoategui. It is an almost uninhabited area, in which 150 kilometers of penetration routes have been constructed, another road system has been improved and construction programs are in effect for this year.

The president of the company, Alberto Quiros, explained that 26 wells have been drilled, 73 are planned for this year and another 101 are planned for 1982.

"With these 200 wells, we shall have a very good approximation of the volume of resources in the area."

The costs by the end of 1982 will amount to 950 million bolivares.

#### CORPOVEN

Like MARAVEN, this company is still in the exploratory phase. It has been assigned the area known as Machete, containing 23,600 square kilometers. It is planned to drill 128 wells. In 1980, 24 were drilled, 8 of which proved to be dry. In 1981, 30 are planned, in 1982, another 48 and, by 1983, the last 26, to complete the exploratory program. The investments amount to 870 million bolivares, and there is also included a program to be carried out for access roads.

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## BRIEFS

COAL RESERVES IN ZULIA--In a lecture given to several officials from the Ministry of Energy and Mines, geologist Oswaldo Ruiz Yepes, from Zulia Coal, remarked that the development of coal represents an alternate course of action in a nonproducing country such as ours, and that the Guasare coal deposit, located in the state of Zulia, is equipped for the development and production of ore for different uses that would supply the national and international markets. With regard to the deposit's potential, Ruiz Yepes said that it might be claimed that there are two types of reserves, the proven ones which total 161 million tons, in an area measuring approximately 6 kilometers long by 2 kilometers wide, out of the basin's total of 30 kilometers long; and the hypothetical reserves, which amount to 3.6 billion tons to date. He added: "In the latest studies on subsoil drilling, we have discovered that the deposit's carboniferous sequence does not reach group eight, the upper limit of the Marcelina formation, but rather extends to three more carboniferous groups of the Mica formation, east of the basin, which show features very similar to those discovered previously. This warrants our claim that the hypothetical reserves which, up until now, have stood at 3.6 billion tons, could increase by no less than 1 billion tons more." Geologist Oswaldo Ruiz Yepes is currently in charge of the exploration and drilling of the Guasare carboniferous basin, in the western section of the state of Zulia. [Text] [Caracas EL UNIVERSAL in Spanish 26 Feb 81 Sec 1 p 12] 2909

CSO: 3010

## LORENZO SIGAUT: NUMBER ONE CANDIDATE FOR MINISTER OF ECONOMY

Buenos Aires SOMOS in Spanish 30 Jan 81 pp 4-9

[Article by Ruben Chorny, Beatriz Traverso, Jorge Alurralde and Daniel Ares]

[Text] The older generation of businessmen knows him quite well. They remember his robust though small figure seated to the right of Economy Minister Adalberto Krieger Vasena back around 1967. It was his baptism of fire on the economic scene. At the time Lorenzo Sigaut was 34 years old, had been named national director of economic and financial policy by Krieger himself and was in charge of coordinating the pricing agreement with industrial leaders.

Veteran businessmen paraded in front of this new face, people who knew it all from having spent so much time in government offices. The pricing agreement inspired by Krieger was a success. Sigaut, who had graduated from the Economics Department at Buenos Aires University 10 years before, had successfully passed this tough test.

Two years into the pact, the opinion of this unknown fellow who had made a name for himself in business circles was recorded for posterity: "This is a felicitous strategy for simultaneously achieving stability and growth at a minimum social cost."

The passage of time could have turned this into just another of the millions of statements that economists, businessmen and politicians voice in a given situation. But no. The majority of the older generation of industrialists who were close to the pricing agreement know that Sigaut publicly praised Krieger's stabilization plan just when criticism of the minister's performance was heating up. "Sigaut was courageous enough, when he was a prominent unknown, to put his hand on the fuses in the midst of a short circuit," an industrialist told SOMOS.

Ten long years went by before the public again heard of Sigaut. We might say that by 1980 Sigaut was acknowledged, first by political circles and then by the public in general, as the leading economist of Roberto Eduardo Viola, the president chosen by the Military Junta. His name appeared on every list of colleagues of the future chief executive: as minister of economy and finances, as Jose Alfredo Martinez de Hoz' successor, as chairman of the president's advisory council.

His candidacy took firm shape after 14 October. On that day, the news leaked out of the Claridge Hotel about a secret meeting between the man whom Viola thought so high of and well-known political leaders. At it, Sigaut waded into his forte: economic analysis. In his diagnosis he allegedly underscored that "the combined effect of the declining guidelines for the dollar and the quarterly tariff cuts are hurting, in this order, industrial, farming and financial groups. The exchange rate shackle (as he baptized it) dampened the price rise of products marketable overseas, which make up between 60 and 70 percent of the basket of prices by which inflation is gaged, but the remaining 30 or 40 percent of the indicator did not undergo this accelerated opening up because it corresponds to personal, educational and professional services, labor and construction materials used to carry out the monumental social works program."

Once these recommendations were conveyed to Martínez de Hoz' economic office, a muffled debate arose. "Our goal is to achieve price stability as the groundwork for a steady process of industrial modernization that is already under way, without a recession and with an unemployment rate that the most advanced nations can envy," the reply allegedly went.

#### The Other Man

The businessmen who visit him often say that the Sigaut of 1980 is different from the Sigaut of 2 years ago. He consolidated his membership in the neo-liberal faction after serving in the ranks of the Keynesians in the 1970's, when Krieger Vasena urged him to get the Fiat OECEI [Office for International Economic Cooperation] off the ground. His habits have also changed. An informal dresser before, he now pays attention to details and attaches a certain degree of importance to brand-name clothing. He has abandoned his reluctance to attend social functions, where he is now seen more often, talkative, extroverted, offering John Player cigarettes, which he buys by the carton.

His relationships in power circles also underwent a process of change. He has known Viola since 1964, when he taught at the Superior War School. But the closest ties between the two were forged in 1975. That year, Sigaut left his research post with Fiat, the Italian consulting firm Italconsult (where he rendered professional services) and all other posts working for others, and set up a business advisory office in partnership with Jose Carlos Jaime.

"He was one of the first practicing econometricians in the country," one of his closest colleagues told SOMOS. "He must have about 50 top-level businesses utilizing his services at present."

He traveled around the United States towards the middle of the year. Some of his people close to him concede that the objective of the trip might have been to shore up what some of his detractors point to as his weak flank: his lack of international contacts. The fact is that the leading candidate for the country's top economic post would be succeeding an Argentine of the highest standing in the world of international finances: Jose Alfredo Martínez de Hoz. Nonetheless,

Sigaut feels, the key for opening doors overseas does not necessarily have to be an individual during this stage of the game. With a sound external position (reserves, debt, exports), the country is the one doing the negotiating, although (as Sigaut concedes among intimates) "When Martinez de Hoz headed out to ask for trust in the recovery of the Argentine economy, none of these conditions was met."

Sigaut is not among the most well-traveled of men. His first trip overseas was 5 years ago when he toured New York. "He is not interested in getting off and on planes, as he could have done. And it is untrue that he did not know English, as people would have had us believe, to run him down. He has been studying it continually for the last 4 years to perfect his mastery of it, above all because of an urge to excel," one of his friends clarified.

His obsession with learning has been with him since his childhood, to judge by the statements of those who remember him as the fifth (and last) male child of Francisco Sigaut (a Frenchman born in Nice) and Celia Soldati (whose father was Italian and whose mother was Swiss). As a boy, Chiche (as he was nicknamed) had two reasons to be proud of his heritage: being the youngest boy in the only family named Sigaut that came to the country and knowing that the Villa Soldati district was named after his maternal grandfather.

His youth was spent in a big old house at 7235 Ventura Beach Street, a half block from General Paz, right in the center of Liniers, years that were taken up with the political sections of newspapers, textbooks, one movie after another at the Capitolio Theater and soccer games in Liniers Sud. He attended primary school at Carlos Motel, which was around the corner from his house. He completed secondary school at night at the Hipolito Vieytes business school. Regarded as one of its best students, he was also considered an excellent soccer player. He was the old-style center on the school team, whose forwards included names that are well-known today on the economic scene: the twins Carlos and Luis Garcia Martinez on the right wing, Oscar Bosco (the minister of social welfare in Catamarca) as a hard-charging center forward and Osvaldo Maximo Setuain (financial director at Ingenieria Tauro) wearing number 11 on the white polo shirt they used to don. "He handled the ball very well from back to front. He made the right moves at decisive stages of games and knew how to take charge on the field. That's why even though his tendency to put on weight did not help him, Ferro wanted to sign him up," a former buddy recalled.

The same qualifications that he did not choose to apply to soccer earned him a major public office, just when the nation was emerging from a series of changes in its economy, with a defense that had to turn back the constant attacks by inflation and with a political forward line of the Process that was obliged to score goals during the second stage.

#### Minister Versus Minister

Sigaut has consistently supported Martinez de Hoz' policies, but has voiced some criticism lately. "He is a very brave, admirable and warm man," Sigaut allegedly said of Martinez de Hoz at a gathering of close friends. "His

program is tied to the convergence of data on the exchange rate and on public utility rates with the pace of inflation," he said.

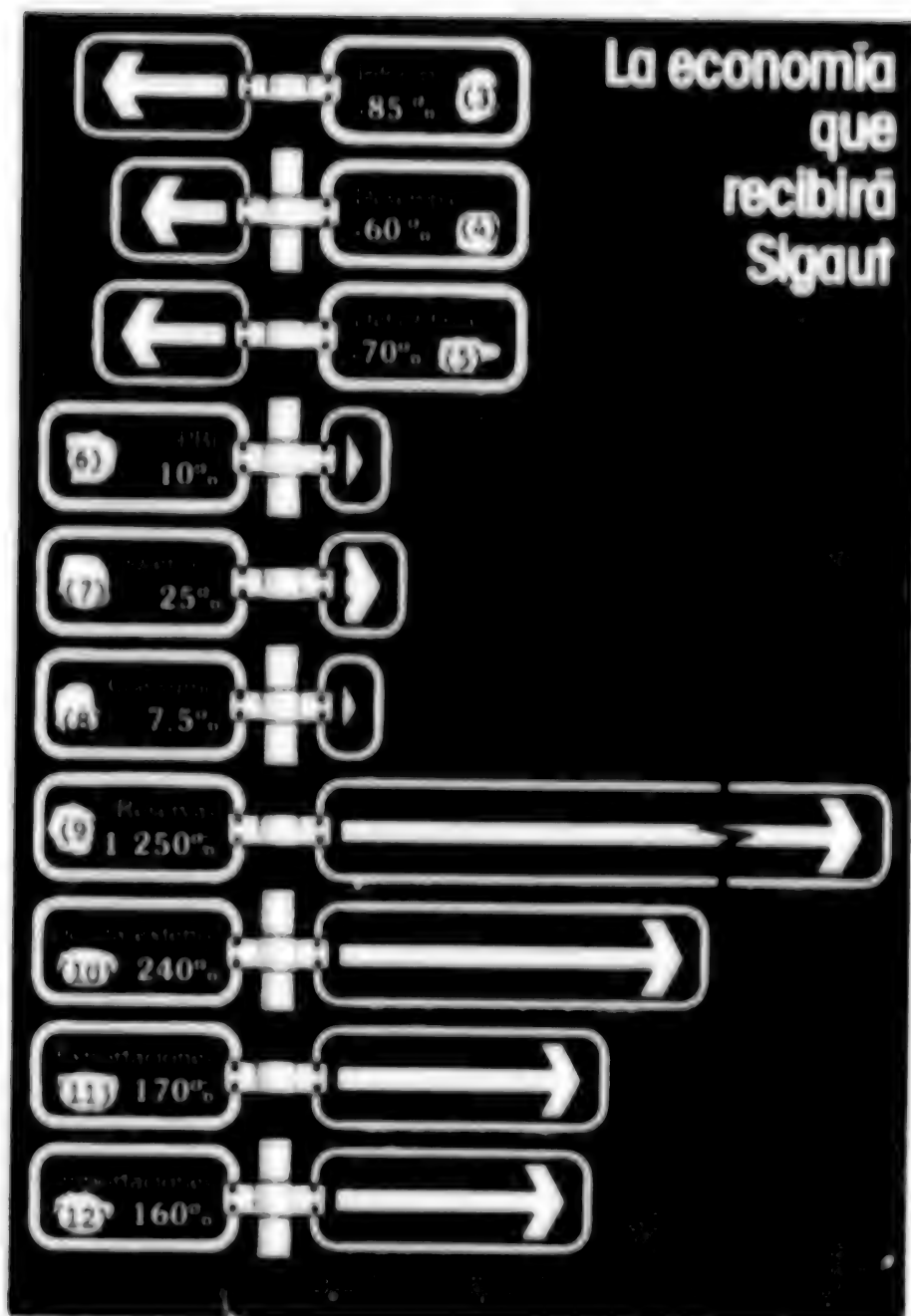
In this regard, he does not feel that the dollar ought to be used as a tool to fight inflation and asks that it be regarded as an economic policy tool to set a direction for changes in physical structures so that the country can shift from a closed model, like the one that prevailed for many years, to an open model. In other words, he is proposing that the dollar be used as a pencil to sketch an industrial profile rather than as an eraser to rub the companies that cannot quickly adapt to foreign competition off the Argentine economic map. "If the country suddenly shifted from the former closed protectionism to an unconditional, indiscriminate open door policy in a bid for efficiency, no industry would be left standing. We need time," he said.

But these theoretical comments aside, people are wondering what Sigaut will really do if he does, in fact, take the helm of the economic team. Will he devalue? Will he boost taxes? Will he set political rates for public utilities? What will happen with salaries? Will exports increase? Will fewer companies go bankrupt? Will there be more inflation? Each concerned question already has an answer, although Sigaut has not made them public. A couple of months ago he advised the executives of the Association of Metallurgical Industrialists: "Don't ask for a major devaluation, because otherwise they'll buy off your companies with pocket change." He prefers a dirty float of the exchange rate to the sliding table and has in mind a 3-year cycle (at least) to make up for the exchange rate lag. As far as public utility rates are concerned, he would lean towards keeping ahead of prices as a whole, but with the almost obsessive goal of enhancing the efficiency with which services are provided. His plans do not allegedly include cutting wages (by indirect means), inasmuch as such a move (he feels) would lead to a drop in consumption, which would run counter to the goal of getting production moving again. As far as taxes are concerned, his idea would be to come down hard on evaders, make tourists shoulder some of the tax burden and reduce taxes on those who comply with the law.

#### A Different Style

Sigaut (a Gemini, 47 years of age) is not too inclined to make statements for the papers. Searching through our files, we found only one satirical interview in a morning paper, in which the questions (figurative) were a conceptual essay that the interviewee answered with: Is that so?, Could be..., Do you think so?, Who would believe it?, That much?

Comparing his nature with that of the outgoing minister, the contrast is startling. But that is perhaps what pinpoints the differences in their roles, rather than as men. Martinez de Hoz played a preponderant political role during the first and most difficult stage of the Process. The division of the Economy Ministry into three departments (Economy and Finances, Agriculture, Industries and Commerce and Public Works) would indicate a clear desire to take the political pressure off an area that has been in the limelight over the past 5 years.



**Key:**

1. The economy that Sigaut will receive
2. Percent change between 1975 and 1980
3. Inflation
4. Unemployment

5. Budget deficit
6. Gross domestic product
7. Investment
8. Consumption
9. Reserves
10. Foreign debt
11. Exports
12. Imports
13. Declines
14. Advances

A personality like Sigaut's would be the key to the change. However, the temptation to become a technical pilot for weathering storms would not be easy for him to accede to: since late December he has shut himself off in Pinamar with his wife, Josefina Pina Cravrina, his three children (Juan Bautista, 18; Jacqueline, 14; and Lorena, 3), his mother-in-law (who taught the entire family Italian), his brother-in-law and his pair of boxer dogs (Olaff and Brigitte). He also receives visits from businessmen and economists, however. Neither in Pinamar, where he is taking an early vacation in a chalet in the outskirts (near the Golf Club), nor in his apartment house on Figueroa Alcorta and Salguero (where the doorman is so well-trained that he denied to SOMOS that he knew him), are people very familiar with him. One detail: he loves Torrallardona's folkloric paintings, full of small coffee shops and city slums.

There are obvious differences between Martinez de Hoz and Sigaut: the approach to industry, the dollar perhaps, inflation and economic activity as priorities. But their philosophy is based on principles of economic freedom. "I think that there is going to be continuity, not only in finances but in economic matters in general as well" (Norberto Peruzzotti, director of ADEBA [Argentine Bank Association]). "The economic authorities must provide businessmen with a climate in which they can make medium- and long-term capital investments with a tolerable margin of risk" (Francisco Speranza, head of the Association of Metallurgical Industrialists). "The country has a structure that will eventually prevail over the economic theorists. That could happen as of March 1981" (Salvador San Martin, president of the Center of Iron and Steel Industrialists). "I have heard only good things about Sigaut's technical and scientific capabilities. Nonetheless, it is beyond his ability to rebuild the country's production structure and revitalize its economic machinery. Martinez de Hoz' term of office took us back to the era of Manchester [laissez-faire] liberalism, but we are not playing the leadership role that England was at the time. Will Sigaut pursue an economic policy of distributing income justly or will he continue the previous line?" (Dante Loss, leader of the Intermediate Generation of Peronism).

A gradualist, pragmatic and held in high regard by business, Sigaut seems to be the man who will take over from Martinez de Hoz on 1 April. The people around him include names such as Carlos and Luis Garcia Martinez, Jorge Berardi, Hugo Lamonica (see below), Jose Carlos Jaime (his partner since 1975), Enrique Polcini (director of the Central Bank), Christian Zimmermann (former vice president of the Central Bank), Oscar Bosco and Osvaldo Setuain. The economists

whom President Viola will probably also talk to include Jose Maria Dagnino Pastore (with Mario Brodersohn, Alieto Guadagni and Daniel Fernandez on his team), Roberto Alemann, Raul Cuello, Rafael Martinez Raymonda (a candidate for minister of agriculture, industries and commerce), Alvaro Alsogaray and others.

Each one of them has his notebook of answers to the eight questions of the next president. Each one has his prescription. But the man taking an early vacation in Pinamar is the old-style soccer center who has begun to look like the captain of the team. No one, at least, has denied it.

#### Sigaut's Decalog

--Inflation: He would no longer give absolute priority to dampening the rise in prices, which was Martinez de Hoz' hallmark. The struggle against inflation would no longer be fought with exchange and tariff weapons; it would be pursued with a comprehensive strategy of enhancing the efficiency of the public sector, cutting the budget deficit and adapting the country's production and commercial structure to clear-cut supply and demand conditions that will make possible the unfettered working of market forces. He would appeal to the civic responsibility of businessmen and shift from the current anti-inflation program to a longer-term plan that would attack its causes without bringing about a surge in prices during such an "interregnum."

--Exchange rate: Circles with ties to Sigaut's team feel that there is an exchange rate lag of about 40 percent, but they rule out any plans to make up for it abruptly. He will allegedly call for an additional 10 percent devaluation and abandon the sliding exchange rate scale. He would thus seek to close, eventually, the gap that opened up as of 11 May 1978 (the date taken as the equilibrium point) between domestic prices, the dollar and public utility rates. A definite possibility is a dirty dollar float, whose monthly ceiling price would gradually rise somewhat faster than domestic prices minus world inflation.

--The open-door policy: He is supposedly taking a look at the possibility of boosting tariffs an average of 15 percent across-the-board to compensate for the stepped-up program of cuts that the dollar guidelines brought about. Under the current system of actual protection, such a boost would be equivalent (it is estimated) to a 10 percent catch-up in the exchange rate for domestic producers vis-a-vis foreign competition. Nevertheless, customs access would be maintained for outfitting and reoutfitting industry, to take advantage of the low prices and the outstanding facilities that the industrialized countries are offering due to the current world recession. Sigaut feels that despite this it would be dangerous to contract the domestic market through indiscriminate or excessive imports of finished goods, especially those manufactured with basic items or raw materials, such as iron and steel and petrochemicals, which the advanced economies produce surpluses of.

--The industrial picture: To make time for transforming and expanding the strategic industries that they want to promote (not to replace imports but to foster exports), Sigaut's people would lean towards those activities that



### Sigaut's New Approaches

require intensive capital investment to tap the country's scant, but skilled, manpower, as well as those that process domestically produced raw materials, such as foodstuffs, oil and timber. The sectors whose growth and international competitiveness ought to be boosted on a priority basis include, in the judgment of Sigaut's team, agroindustry, iron and steel, petrochemicals, nonmass-produced capital goods (machine tools, for example), fishing, cellulose and paper. This process of development would be promoted through tax incentives, export subsidies (reimbursements), inviting foreign investors to take part in the moves being undertaken with domestic savings, and strict antidumping controls. They would not use tariffs for promotional purposes.

--Investment: To encourage industry outfitting, there are plans to subordinate the exchange rate and tariff policy to investment, both in timing and prospects. The prevailing open-door policy (it is said) is well-grounded, but only if it is brought in line with the exchange rate catch-up process that would be started. He would continue the tax exemption program and, at the same time, direct financial policy towards aiding long-term investment projects. The incoming administration will allegedly assign particular importance to this category in its priority treatment of industrial production.

--Reserves: Sigaut allegedly feels that \$6 billion, more or less, is a reasonable level of international reserves for maintaining optimum purchasing power overseas.

--Interest rates: He would differentiate between the cost of long-term investment credit and regular short-term financing. Nevertheless, people close to Sigaut's team stress, he would try to see to it that interest rates are, in general, barely negative for savers and barely positive for borrowers. To do this, he would sever the ties between the great majority of interest rate movements and government financing needs.

--Budget deficit: The reimbursements that would be initially authorized to alleviate the difficult situation facing regional economies would exert major pressure on government expenditures that could be compensated for only through a cutback in uninitiated investments, to reach the goal of a 2.9 percent deficit in terms of the gross domestic product. Based on the penalty clauses in the contracts that would be delayed, it is believed that such a move would entail additional costs that would be hard to avoid. Nonetheless, sticking to the budget (even if roughly, it is said) is one of the things that most concerns Sigaut.

--Agriculture: The additional devaluation that the incoming economic team allegedly has on tap could be accompanied by a compensating duty on grain exports that would make up for some of the exchange rate correction to stave off a major impact on domestic food prices. Whether this duty is tacked on (and how large it might be) will depend largely on the country's reserves at the time the coarse grain harvest is marketed. Looking to the long term, he will promote an expansion of our agricultural frontiers and our import capabilities to help modernize our infrastructure.

--Wages and prices: Circles close to Sigaut assert that the principles of freedom in setting wages and prices will prevail. Jawboning big business would be resorted to only to prevent it from abruptly passing on increased costs, which would trigger a wage-price spiral. In exchange for loosening the dollar bridle, they will reportedly be asked (in private) to play a trend-setting role in the marketplace. As far as wages are concerned, he will reportedly try to maintain the real level of government service pay. Only through sounder tax and social security controls would he attempt, on the other hand, to discourage competition from independent operators in the labor market, which distorts the manpower supply, it is said.

### Three Men

There are three economists who look like future colleagues of Lorenzo Juan Sigaut in the Finance Ministry. Although the ministry will have two undersecretariats, these three men will probably be working with the minister, just as they have been his friends from early on.

Jorge Berardi: An accountant and PhD in economics, 46 years of age, married, two daughters, he was Sigaut's schoolmate in college, where they played on the same soccer team. Although they rooted for different teams (Berardi is for Racing), their longstanding relationship has continued. A middle-of-the-roader and a rather silent man, he was trained in private business as a project analyst, but



Lamonica, Berardi and Garcia Martinez: Sigaut's Team

he is also known for having headed the Santa Fe Economy Ministry during the first few years of the Process. He was described in that post as steady-handed in closing down several provincial companies and in getting the budget in shape and as hardly benevolent when the time came to set taxes (he was called the Alemann of Santa Fe). In spite of this, he kept up an open dialog with all sectors, and no one rebuked him for not listening to petitions. A Treasury watchdog who would be ideal in the budget division if he is put in that undersecretariat, Berardi, who smokes a pipe and wrote "The Crisis of the Argentine Securities Market in Business Capital Formation," could maintain or boost the tax burden.

Hugo Lamonica: Married, two daughters, 33 years of age, he is the junior member of the Sigaut team. He and Sigaut met more than 10 years ago when they served as directors in the Economy Ministry under Krieger Vasena. Lamonica, one of the outstanding young men of 1980, is the financial director of the Yacyreta Bilateral Agency (as well as adviser to the Joint Parana River Commission) and was one of the authors of the financial program, which is one of the most wide-ranging in the world, complex in its implementation and regarded as highly satisfactory for Argentine-Paraguayan interests. Now then, although he is being mentioned for the Finance Undersecretariat (he was director general of State Enterprises at age 22), it is not unlikely that his name will crop up in the Energy Ministry or the Central Bank.

Carlos Garcia Martinez: A man of Sigaut's generation (they also played on the same soccer team and both are River fans), this economist has received several international awards (from the American Institute of Economic, Legal and Social Research and the International University of Social Studies of Rome) and written two books, "Economic Integration Among States" and "Stability and Development in Latin America." He was Argentine ambassador to LAFTA (later LAIA [Latin American Integration Association]) from 1976 on and chairman of the Standing Executive Committee. In light of his stature and ties with Sigaut, he will surely work together with the minister, in addition to holding down the government post he is offered.

## MONSIGNOR ZAZPE DISCUSSES CHURCH-STATE RELATIONS, POSITION

Buenos Aires LINEA in Spanish Sep 80 pp 8-10

[Interview with Monsignor Vicente Zazpe; date and place not given]

[Text] The Leadership of John Paul II

LINEA: The coming of John Paul II has triggered a veritable internal "upheaval" among Christians, with immediate effects such as the enthusiastic return of young people to the Church.

You have contended that the long-term effects are unforeseeable. What do you mean?

Monsignor Vicente Zazpe: I am referring to spiritual leadership.

It is not just a question of John Paul II's personal qualifications, which are unquestionably exceptional, but also of his pontifical teachings in tackling the world's problems.

We cannot deny the scarcity of real leaders today to attack the problems of our times.

The two superpowers are showing alarming signs of mediocrity. Europe does not offer better prospects. China deifies and rehabilitates its own leaders, and Latin America presents a chaotic picture without suitable leaders.

Over the broad world religious spectrum, there is an interesting variety to the picture, but the papacy obviously has the greatest ability to rally the people.

There are many voices in the world who diagnose the present situation as an essentially spiritual crisis. Solzhenitsyn, a clear thinker, always aims his tremendous denunciations and, above all, his frightening predictions for the future in that direction.

Because of its evangelical roots, John Paul II's leadership operates around two poles: denouncing evil and announcing the renewal.

He does not denounce peripheral evils or prescribe merely short-term remedies. He goes to the root of evil and to the root of a solution.

In this sense, I consider his role unpredictable, especially because of the youthful audience that is following him.

#### The Church and the National Issue

LINEA: In his trips to his native land, Poland, and to Africa, etc., the Holy Father has touched on the "national issue" and has indicated what the Church's stance towards it ought to be, recommending a defense of the individual cultures of each people, Africanizing the Church, for example. Is this something new in the Church?

Monsignor Zaepfel: The problem is not new, but it is just in recent decades that the Church has become fully aware of the situation and of how it should deal with it. If we review the missionary efforts over the last 2,000 years, we can see that the Church's establishment in the West and especially in Europe has been a significant influence on the evangelist approach.

The Church has obviously taken care to propagate the message of salvation in a comprehensive, faithful manner, but due to historic circumstances, it was not as careful about doing so down to the cultural roots.

Missionary activity was strongly centralized, which meant the Latinization of the local Christianized cultures.

As an example I can cite Saint Gregory the Great's letter giving instructions to Saint Augustine, the evangelist of England.

Rather than standards for accepting the native culture, they were psychologically valid instructions that were, however, condescending and unmindful of local cultural realities. The same thing happened with the Germans and the English.

Emperor Charlemagne introduced the Roman liturgy in his vast empire, except for Visigoth Spain and northern Italy.

The Spanish evangelization of the Americas had moments of great spiritual worth in defense of the rights of the Indians, but respect for each culture was not at the same high level.

The problem began to change under Pius XII, but it was the Second Vatican Council that completely and definitively unleashed the process through the papal decree on the Church in the world.

Paul VI took this up again in his exhortation "Evangelii Nuntiandi," and the Third Episcopal Conference in Puebla issued a final document with more guidelines in this regard, which can be described as extraordinary: Latin America has a Catholic culture that has permeated the complex mosaic of subcultures throughout the continent.

## The Church of Silence

LINEA: Is it a factor that the Holy Father comes from a persecuted Church in which the life of a priest is hard and dangerous, in the manner of an opponent or a challenger of the regime?

Monsignor Zaepel: John Paul II's background (student, worker, actor, man of letters, priest and bishop in Poland) has left its mark.

His activities and his speeches reflect a man who has had enriching and moving experiences.

The Church can survive and grow under a communist regime only if there is certainty and discipline.

It is not enough for the priests and the faithful to accept the Creed. A disciplined unity that covers other facets of religious life is necessary.

A liturgical and moral discipline without ambiguous or hazy areas is required.

John Paul II feels that the Catholic Church must act on the basis of the truths that emanate from the Creed and the moral demands of evangelical life, but it must also be a disciplined Church, which does not mean stifling creativity. In addition, the Church must be committed to flesh-and-blood individuals and to history.

The pope sets forth principles but he brings them down to earth in an unprecedented way.

His speech to the workers at Sao Paulo Stadium could serve as an example: "Workers, Sao Paulo is not just these physical accomplishments, which are not always governed by a just and full appreciation of man and society.

"Sao Paulo is also the countless underprivileged, the unemployed, the under-employed, the poorly employed...Sao Paulo is you who have gathered here to celebrate your dignity as workers and to express your willingness to construct together a city as large as your hopes."

And there was also his speech at the Government Palace in Brasilia: "Government leaders: The mandate that you have received confers upon you the privilege, which is also a commitment, of working for the common good of the entire nation...Every society is jointly responsible, but the initiatives and the human and rational guidance of the processes depend to a great extent on those who have been invested with government and leadership functions...Government has the right to stand up to those who cultivate group selfishness to the detriment of the whole...Under no circumstances can government allow fundamental human rights to be violated."

LINEA: The pope has denounced communism and liberal capitalism with equal vigor and has decidedly embraced the cause of oppressed peoples. Crowds of people come to see him. Does he perhaps represent the reappearance of the moral leadership that is lacking in the world?

Monsignor Zaspe: As far as I am concerned, there are two reasons for his leadership: a) the nature of his own personality and of his teachings, and b) the absence of moral leadership in the world.

#### The Duty of the Argentine Church

LINEA: In his visits to Mexico and Brazil, John Paul II has succeeded like no one else in becoming "the voice of those who have no voice." Will the Argentine Church continue along this road?

Monsignor Zaspe: The Church in Argentina must continue along that road and be the voice of those who have no voice, in spite of the inevitable misunderstandings and threats that could arise.

Some sectors are annoyed that the Church receives and listens to the workers, to the relatives of the missing and those who have been detained without charges or whose trials are endless, to retired persons and pensioners.

In one way or another, these are citizens without a voice or at least without sufficient voice.

#### Christians and Politics

LINEA: Will Christians be guided so that they can cope with the situations that arise in the nation?

Monsignor Zaspe: The episcopate's next instructional document, which will be published in March 1981, will urge the baptized to fulfill their Christian commitments in the political sphere.

The Puebla document is categorical in this regard.

The Catholic concept of society is practically unknown to the majority of the baptized, and hence so many remain withdrawn and others accuse us of being Marxists.

People know that the Church is against divorce, abortion and state monopoly but they do not know what it thinks about politics, economics, ideologies, property and so many other areas that are part and parcel of the message; hence the confusion, the accusations and the far from Catholic stands of so many of the baptized with decisionmaking power.

LINEA: What are a Christian's legitimate options socially and politically?

Monsignor Zaspe: It would take a book to answer that question, but suffice it to say that the Puebla document specifically states which options are valid and which are not.

## The Training of Youth

LINEA: A generation of Argentine youth, those of the 1970's, has been wasted. What is being done to see to it that today's young people, those of the 1980's, join in with the nation as a joint undertaking? Are young people being taught the social doctrine?

Monsignor Zaspe: I think that the country has lagged behind in making young people a part of the national recovery process.

There is a great deal of talk about young people but very little talk with them.

The assertion is constantly made that the process has young people behind it, but their actual involvement is small and in some spheres nonexistent.

There is a youth presence in the Church, although it does not involve the majority of Argentine youth, it is a significant presence.

The problem is not mainly quantitative. The important thing is for these young people to be active, even if they are a minority.

Nevertheless, I personally think that we are falling short in developing young people to tackle the country's problems.

## The Mass Media

LINEA: What is your position on the mass media in our country?

Monsignor Zaspe: Unfortunately, it is commonplace to talk of the triteness and mediocrity of the powerful media.

The problem comes from afar and has survived all political regimes of the last 20 years. With each change a renewal is announced, but everything continues "sicut erat in principio." Series from other countries, tasteless television plays as dated as crank-up telephones, programs without substance and constant filler material.

The worst thing is that the media are under the control of the successive governments, which have unmistakably revealed their inability to utilize them and seem to be concerned solely with official propaganda, which always eventually bores people.

Color television has not changed the outlook at all, and I fear that the broadcasting law will be anticlimactic as far as a real overhaul is concerned.

With the exception of several radio newscasts from the Federal Capital and an occasional worthwhile program, everything else clearly shows that as far as the individuals in charge of the media are concerned, the Argentine people are little better than feeble-minded.

## The Church and the Workers

LINEA: What do the workers ask of you when they come to see you?

Monsignor Zaspe: They come neither to demand nor to complain.

They basically want to be listened to and understood and when they ask that some infringed on or suspended right be defended, they do so with a dignity that other not so disinterested sectors would like to have.

I think that an approach that ignores the working class is politically dangerous, humanly inconsiderate and suspect from a Christian standpoint.

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## MEASURES URGED TO COUNTER EXPANSION OF RELIGIOUS SECTS

Buenos Aires LA NACION in Spanish 8 Feb 81 p 11

[Text] The auxiliary bishop of the archdiocese of Santa Fe, Monsignor Edgardo Storni, has conducted a study on the proliferating sects in operation in that ecclesiastical district. According to the study, the "aggressive expansion" of the "sects" over the last two decades was encouraged, among other things, by an abandonment of or a "vacuum" created in the pastoral duties of the Church, "while we brought confusion to the field of doctrine," a dispatch from the AICA agency said.

Monsignor Storni then asserts in his report, which was published in the REVISTA DEL ARZOBISPADO DE SANTA FE, that the disappearance of a committee "for the defense of the faith" in the 1960's "meant that the Church was closing its eyes to what was already a time bomb." He then goes on to say that "after the council, those same Catholic pastors engaged in an incorrect, very simplistic interpretation of ecumenism among us, which entailed not only tolerance but, to put it bluntly, acquiescence.

"Perhaps," he adds in this connection, "some realized what was happening, but they took the easy recourse of relegating the entire problem to the Most Holy Virgin or of trusting that our people's reserve of traditional faith would overcome and annul a religious-cultural penetration so alien to our tradition. As if the Virgin herself were not already forgotten, and the people's piety more than in question."

The prelate then says that "meanwhile, 'they' were at work, taking advantage of the vacuum we left or the neglect we were guilty of. Indeed, during the 1960's and for some time later, while we were bringing confusion to the doctrinal sphere, anarchy to church discipline and distortion to the pastoral mission (which was reduced to aspects of politics outside the Church's purview), man's inescapable religious dimension, whatever its degree of conscious manifestation, found evangelizing proposals and answers in those churches."

After analyzing the difference between "churches," "denominations" and "sects," Monsignor Storni lists what he feels are the best known sects operating in the archdiocese of Santa Fe: Baptists, Seventh Day Adventists, Jehovah's Witnesses, Quakers, Pentecostals, Methodists, Salvation Army, Mormons, Christian Scientists and spiritists.

In conclusion, Monsignor Storni proposes various pastoral measures that he asserts must be taken without delay, "for the following two reasons: because it is our duty and because largely through our own fault, that is the position we are in."

## SUBVERSIVES HANDED SEVERE PENALTIES

Buenos Aires LA NACION in Spanish 7 Feb 81 p 8

[Text] Mendoza--Prison sentences of from 4 years to life were handed down to eight members of the terrorist group Montoneros by the head of Federal Court No 2 in this city, Dr Jorge Alberto Garguir. The subversive criminals murdered police officer Miguel Angel Cuello and were found guilty of making threats against police and security personnel. They were also convicted of recruiting and training young people to join the extremist group to which they belonged.

After the police succeeded on 6 February 1976 in intercepting a Fiat 128 that had been stolen from Isabel Guirar de Leon some days before, a series of circumstances began coming to light that led to investigations and arrests. The car was being driven at the time by Daniel Hugo Rabanal, who was arrested. Details then began emerging in connection with the criminal activities carried out by Rabanal and others who had been arrested shortly after he was.

Officer Cuello had been attacked by the criminals on 3 February 1976 as he was standing guard outside the building housing the first provincial police station on Godoy Cruz Street in this city.

After explaining the attenuating and aggravating circumstances, the federal judge handed down the following sentences: Daniel Hugo Rabanal, life imprisonment; Guido Esteban Actis, 4 years in prison; Fernando Rule, 5 years; Stella Maris Ferron, 7 years; Silvia Susana Ontiveros, 4½ years; Alberto Mario Munoz, 5 years; Vicente Zarate, 7 years, and Rodolfo Enrique Molinas, 10 years in jail. All of the sentences include loss of civil rights for their duration. The sentences are not yet final and can therefore be appealed by the defendants.

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CSO: 3010

## REPORTAGE ON TRADE WITH USSR, SUSPENSION OF OIL IMPORTS

## Soviet Mission Inspects Ports

Rio de Janeiro JORNAL DO BRASIL in Portuguese 5 Feb 81 p 18

[Text] Porto Alegre--Increased trade between Brazil and the Soviet Union, especially sale of Brazilian soybeans to that country, has led to arrival of a mission led by Ambassador Drimriti Sukov to inspect Southern port facilities, beginning today with a visit to Rio Grande and followed tomorrow by one to Paranagua.

The visit to the ports is being coordinated by COBEC [Brazilian Warehouse and Trade Company], state trading company, which recently signed a contract to sell 700,000 tons of soybeans and soybean meal to the USSR, benefiting from the preference the Soviets are giving to Brazilian soybeans in view of the embargo imposed by the government of ex-President Carter on sale of U.S. grain to the Soviet Union last year.

According to the publication SAFRAS E MERCADOS, specializing in commodities, sales of Brazilian soybeans to the USSR last year totaled 120,000 tons. The Soviets have not bought soybean meal for 2 years (since 1978, the year of African swine fever in Brazil), but in January they signed their first big contract with COBEC, for purchase of 400 000 tons, of which 80,000 tons were shipped last month through the ports of Rio Grande and Paranagua. The contract also provides for shipment of 300,000 tons of soybeans from the new crop that will go on the market in April.

In Rio Grande the Soviet mission led by the USSR ambassador in Brazil, Drimriti Sukov, inspected the DEPRECO (Department of Ports, Rivers and Canals) cold-storage terminal with capacity for 10,000 tons, since Russia is importing sizable quantities of chicken from Brazil.

## USSR Suspends Oil Shipments

Rio de Janeiro JORNAL DO BRASIL in Portuguese 8 Feb 81 p 23

[Text] The Soviet Union suspended its supply to Brazil of 20,000 barrels of petroleum daily during the first 6 months of this year, according to the president of Mapa International Trade and Ventures, Mario Pacheco Junior, principal negotiator between Soviet petroleum companies and PETROBRAS [Brazilian Petroleum Corporation] for petroleum purchases. Data provided by Mapa indicate that in the specific case of the Soviet Union production of petroleum and condensed gas was reduced from the 620 to 640 million metric tons expected for 1980 to 603 million tons.

The reduction forced Soviet firms to reevaluate their contracts, taking into consideration the needs of markets in the socialist sphere and government agreements with India, which since 1978 has been a large consumer of Soviet petroleum. The company thinks it is possible that shipments of Soviet oil to Brazil will resume in the second half of this year.

Suspension of oil shipments from the Soviet Union means that in the first 6 months of this year PETROBRAS will not be receiving 3,650,000 barrels of petroleum. If the contracts are not renewed this year, the company will have failed to receive 7.3 million barrels.

### Strategic Stockpile

In the opinion of independent oil dealers and some PETROBRAS experts, "there is not that much petroleum available in the world for Brazil to be given the luxury of establishing its imports in the first 4 months of this year at 750,000 barrels a day without running the risk of adopting rationing after this period to avoid excessive use of its strategic stockpile."

The analysts comment that "intensification of fighting between Iraq and Iran could once again leave the country worried about the supply of its strategic stocks and even force PETROBRAS to go from country to country with hat in hand seeking petroleum and paying rates much higher than normal."

### No Alternative

Petroleum consumption by underdeveloped countries, according to Mapa, increased about 20 percent in the 1978-80 period, from 11 million barrels to 13.3 million, whereas developed countries--except the socialist bloc--reduced their consumption from 39.4 million barrels to 37 million barrels daily during the same period.

Increased consumption in underdeveloped countries is due to lack of alternative energy and many of them, with a high rate of inflation, as in the Brazilian case, do not have enough money to carry out their alternative-energy projects.

According to the same data, countries of the socialist bloc paradoxically increased their consumption in the last 2 years--from 12.8 million barrels daily in 1978 to 14 million in 1980, which represents an increase of 9.3 percent in 2 years. In aggregate figures, this means the developed countries reduced their petroleum consumption by 2.4 million barrels daily while the rest of the world increased consumption by 3.5 million.

Mario Pacheco Junior points out that the Iraq-Iran crisis, begun in 1978 and culminating with the armed conflict last year, has contributed strongly to this trend of consumption in various countries, which adopted preventive measures in regard to the future market for crude petroleum.

He also said that as sale of petroleum in the world is indexed by the dollar--subject to an inflation of about 17 to 20 percent in the last 2 years in terms of the world financial market--it can be expected that competition in the petroleum market will certainly increase.

"This competition," he commented, "could be aggravated if the Iran-Iraq conflict continues and current levels of world stocks could be reduced considerably, paving the way for a dramatic increase in OPEC prices in the second half of this year."

The PETROLEUM ECONOMIST magazine, published in London, said that world production of petroleum, which had been increasing since 1975, decreased last year. Production was 2.202 billion tons, 3.9 percent less than that reported in 1979, according to Dutch Shell.

Iran produced 12.4 percent less petroleum than in 1979, exactly 957 million tons, while countries of the socialist bloc produced 625 million tons, about 3 percent more than the previous year. U.S. production was 567 million tons, about 1 percent more than in 1979. Latin American countries produced about 300 million tons, which represents an increase of 7.6 percent.

#### Soviet Contract Termed 'Episodic'

Brasília CORREIO BRAZILIENSE in Portuguese 11 Feb 81 p 5

[Text] "The decision of the Soviet Union to cut oil supplies to Western countries does not affect Brazil," Itamarati [Brazilian Foreign Affairs Ministry] spokesman Bernardo Pericas commented yesterday, recalling that purchase of Soviet petroleum was "episodic." Pericas said he has no knowledge of new contracts between Brazil and the USSR for furnishing petroleum.

The last time Brazil bought petroleum from Russia was last year just after the conflict between Iran and Iraq began and the major Iraqi refinery was destroyed. On that occasion a contract was signed between PETROBRAS and the Soviet government for sale of its surplus amounting to 20,000 barrels daily for 3 months.

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## EMPLOYMENT DECLINES IN RIO INDUSTRY, RISES IN SAO PAULO

## Rio Has 3-Year Decline

Rio de Janeiro O GLOBO in Portuguese 17 Feb 81 p 16

[Text] Brasilia--From February 1977 to November 1980 the industrial work force employed in Rio de Janeiro decreased 4.9 percent; in Sao Paulo it increased only 1 percent, which represents an annual increase of less than 0.3 percent; and in Belo Horizonte there was an increase of 9.3 percent in that period, Labor Ministry sources reported.

The sources said that growth of the overall employment index from February 1977 to November 1980 was 8.1 percent. Sao Paulo had an increase of 3.5 percent, Rio de Janeiro had 7 percent and Belo Horizonte had 16.5 percent.

According to Labor Ministry sources, the Minas Gerais capital was the only city during this period that had a rate of employment increase compatible with estimates for growth of the urban work force. Nationally, employment growth was less than 2 percent during this period, the sources said.

According to the sources, in November the aggregate indicator of employment in the nation decreased slightly.

On the other hand, provisional data from the Sao Paulo State Federation of Industries (FIESP) relative to December 1980 for manufacturing industry in Greater Sao Paulo show a growth of 3.5 percent in the work force employed compared to December 1979, while the cumulative index for 1980 is 2.8 percent higher than in 1979.

Based upon these data, about 56,000 industrial jobs were created in Greater Sao Paulo between December 1979 and December 1980.

## In Commerce

In November and December, according to Labor Ministry data, retail trade in Sao Paulo employed 1.36 percent more workers than in October 1980. Thus, according to the Labor Ministry, employment in this sector decreased 3.36 percent between January and December last year.

In average cumulative terms, the decline in 1980 relative to 1979 was 1.87 percent in general trade in Greater Sao Paulo and 3.82 percent in the supermarkets of that metropolitan region.

In analyzing sectors, Labor Ministry data show a decline in industrial employment in November from that of October 1980 in almost all metropolitan regions.

Civil construction also reported a considerable decrease in the work force employed in Sao Paulo and in Rio de Janeiro in November and December last year. Commercial employment increased between October and November 1980, in keeping with holiday business at the end of the year, while the service sector showed an employment decrease in 4 of the 10 metropolitan regions.

#### Sao Paulo Shows Increase

Sao Paulo FOLHA DE SAO PAULO in Portuguese 12 Feb 81 p 21

[Text] Employment in the industrial sector of Greater Sao Paulo increased 0.3 percent in January compared with December of last year and 2.8 percent in 1980 over that of 1979, according to data reported yesterday by the Sao Paulo State Federation of Industries. In preparing these statistics, 19 industrial branches were analyzed; in 6 of them there was an employment decline in 1980. This decrease was found in nonmetallic minerals (down 5.2 percent), electrical and communication material (down 0.2 percent), furniture (down 3.4 percent), leather, hides and similar products (down 4.5 percent), products of plastic materials (down 0.9 percent) and textiles (down 2.7 percent).

Sectors having an expansion of employment last year were metallurgy (8.7 percent), footwear and cloth goods (11.3 percent), machinery (6.3 percent), paper and paperboard (6.2 percent), rubber goods (4.2 percent) and perfumes, soaps and candles (12 percent). The printing and publishing sector reported a slight increase (0.3 percent) of employment in 1980.

The largest nominal increases in wages during 1980--according to the FIESP survey--were in the paper and paperboard and the textile sectors.

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## NEW REGULATIONS SET FOR PURCHASE OF FOREIGN TECHNOLOGY

Rio de Janeiro GAZETA MERCANTIL in Portuguese 13 Feb 81 p 6

[Text] Brasilia--From now on, requests for registering deeds and contracts for technology transfer, including imports of "software" (programs) for the computer and peripheral equipment industry, must be submitted in two copies to the National Patent Institute (INPI). The INPI will send the second copy to the Special Secretariat for Data Processing (SEI), which will decide upon the appropriateness or not of the import in terms of the overall program for establishing the data-processing industry in Brazil, which is administered by the latter agency.

In Brasilia yesterday morning Octavio Gennari Netto, head of the SEI, together with Arthur Carlos Bandeira, president of the INPI, signed a normative ruling regulating imports.

According to an SEI official, the measure has the purpose of avoiding "smuggling" of technology needed for this industry, permitting, in compliance with the directives adopted, "an effective transfer of modern technology, avoiding self-contained technological packages that in reality are not transferred to domestic industry."

The contract signed between the SEI and the INPI created a joint commission composed of officials from the two entities which has the purpose of examining import requests according to the normative act. They will also examine all import agreements involving services rendered by foreign companies in data processing and the consequent remittance of foreign exchange. This decision is explained by the concern of both the SEI and the INPI about the Brazilian trade balance.

## Interchange

The normative act also rules that the SEI and the INPI will establish procedures for mutual consultation, transmitting information from one agency to the other for the purpose of making an evaluation of "the interchange of technical information in the data-processing field that they have in their own possession or to which they have access."

The document signed yesterday also regulates the question of industrial patents in the data-processing field. Applications to patent a given piece of equipment or program must be submitted to the INPI for verification of existence of a similar method already patented and will then be submitted to the SEI which, based upon the information from the INPI, may approve or deny the registration, according to the rules covering the subject in the data-processing sector. The SEI will have a period of 60 days to inform the INPI of its position in regard to the patent.

## IRAQ TO INVEST \$22.7 BILLION IN DEVELOPMENT PROJECTS

San Paulo FOLHA DE SAO PAULO in Portuguese 8 Feb 81 p 35

[Text] Brasilia--Faik Maki Al-Tikriti, Iraqi ambassador in Brasilia, said yesterday that his country plans to invest about \$22.771 billion in development projects this year. The Iraqi national budget, divided by the various sectors of the economy, opens prospects for the cooperation of Brazilian companies that, through Mendes Jr, "have earned the respect of us Iraqi."

"Most of the projects will be in the areas where Brazilian technology has reached a quite respectable stage of development," according to the ambassador. In the industrial sector, for example, \$4.208 billion will be invested to install petrochemical, iron and steel, cement, motor and automobile industries.

In the transportation area, \$4.340 billion will be used, of which \$280 million is already appropriated for constructing the HIT-Tuallaha highway, on which Mendes Jr was the successful bidder. A project that could eventually be done by Brazilians will be the first stage of the Baghdad metro, which is to have 63 kilometers of lines.

But the most promising sector will be civil construction. The Baghdad government has planned construction of 136,000 residences and 23 new bridges worth a total of \$6.413 billion.

Faik Maki asserts that he has no idea by what process these funds will be appropriated. He does know, however, that each project will be decided by international competitive bidding open to all interested companies "except those that collaborate with or have branches in Israel."

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## JANUARY TRADE DEFICIT AMOUNTS TO \$106 MILLION

Rio de Janeiro O GLOBO in Portuguese 20 Feb 81 p 18

[Text] Brasilia--The Brazilian trade balance had a deficit of only \$106 million in January, the secretary general of the Finance Ministry, Eduardo de Carvalho, announced yesterday. In January of 1980 the deficit had been \$490 million.

According to CACEX [Foreign Trade Department] data, exports totaled \$1.719 billion in January, compared to \$1.825 billion of imports. The nation's sales abroad increased 29.8 percent over the \$1.32 billion of January 1980. Imports, in turn, increased only 0.6 percent over the \$1.81 billion imported in January last year.

With the reduction of the trade deficit in January, the cumulative deficit for the latest 12-month period also declined. At the end of December the trade deficit for the year was \$2.829 billion. For the 12-month period ending in January 1981, however, the deficit fell to \$2.445 billion.

The biggest increase among imports was petroleum purchases (\$797 million), 12.3 percent greater than the \$710 million imported in January 1980. Wheat purchases fell from \$83 million to \$77 million and the remaining imports were \$951 million, 6.9 percent less than the \$1.021 billion spent in January of last year.

Coffee sales abroad, in turn, were \$190 million in January, compared to only \$36 million in the same 1980 month. The other goods exported by the country had an exchange value of \$1.529 billion, 18.7 percent more than the \$1.288 billion earned in January 1980.

Eduardo de Carvalho, secretary general of the Finance Ministry, said the figures show the government is succeeding in maintaining the growth rate of exports, "despite the fact that January and February are months when sale of agricultural products cannot be counted upon." He also stressed that imports are being kept within the same range as last year.

January Trade Balance (millions of dollars)

	1981	1980	Percentage Change
Exports	1,719	1,324	+ 29.8
Coffee	190	36	+427.8
Other	1,529	1,288	+ 18.7
Imports	1,825	1,814	+ 0.6
Wheat	77	83	- 7.2
Petroleum	797	710	+ 12.3
Other	951	1,021	- 6.9

Source: Finance Ministry

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## JANUARY INFLATION RATE TO APPROXIMATE 7.5 PERCENT

Sao Paulo FOLHA DE SAO PAULO in Portuguese 6 Feb 81 p 20

[Text] Brasilia--January inflation should exceed the predictions made thus far and be about 7.5 percent, due to a new and unexpected increase in the cost of construction materials of about 8 percent, which surprised even SEPLAN [Planning Secretariat] experts who follow price changes.

"We do not know to what to attribute this price increase for construction materials," an economist of the Special Secretariat for Supply and Prices (SEAP) asserted yesterday. Final results of inflation have not yet been announced due to "technical defects in the Getulio Vargas Foundation computer," but the announcement should be made sometime today.

Results available to SEPLAN indicate an increase for the wholesale price index (IPA) of 7 percent; for the cost of living in Rio de Janeiro (ICV), of 8.2 percent; and for civil construction, of 8 percent.

In any event, the general price index (IGP) for January of 7.5 percent should be less than the prediction for the same index, which measures inflation, made for February, of about 9 percent.

The extremely high figure to be shown this month--SEPLAN works with a relatively accurate forecast, according to the source, 2 months in advance--is the result of some generalized increases such as that of the price of steel, which will be increased considerably some time this month.

The other products having impact on the February indices are bread, coffee, cigarettes, bus fare, meat (fresh meat entering the market), cars, milk and, especially, the 30 percent diesel-fuel increase, with immediate impact on freight costs and mass-transportation fares.

However, according to the source, there is a solution being studied for the case of diesel fuel and derivatives of petroleum that may have a very favorable effect not only on price indices but also on Brazil's trade balance.

There is a survey by the CTA (Aerospace Technology Center) proving the feasibility of adding 6 percent alcohol to diesel fuel without loss of efficiency for trucks. The source points out that such a solution, being studied to submit to Planning Minister Delfim Neto shortly, will bring about a daily savings of 70,000 barrels of petroleum or the equivalent and an annual savings in the trade balance of about \$882 million.

## BRIEFS

SOUTHEAST ASIA TRADE MISSION--Brasilia--In the second half of April, Itamaraty [Brazilian Foreign Affairs Ministry] will send a trade mission to four Southeast Asia countries (Malaysia, Philippines, Indonesia and Thailand) with the purpose of opening new markets for Brazilian exports. The mission will be led by the chief of the Itamaraty Trade Promotion Department, Ambassador Paulo Tarso Flexa de Lima, and is in response to several delegations these countries have sent to Brazil during the last year. Densely populated, these countries belong to the ASEAN [Association of Southeast Asian Nations], the leading trade organization in Asia. The Philippines are already an important consumer market, with their population of 46.3 million; Indonesia, besides also having a large population (141.1 million), is a member of OPEC and in a position to support a growing volume of imports; Malaysia is a prosperous country that maintains high growth rates (about 10 percent annually) and exports essential raw materials, such as natural rubber. Thailand is not only a potential market for Brazil's products and intermediate technology, but is also a supplier of rice in periods of poor harvests. In Southeast Asia, Brazil already has significant trade with Singapore, major financial center of the region and important market for the service sector. Trade with the region can be facilitated by utilizing the network of contacts that Brazil has established in traditional markets such as Japan and China. [Text] [Rio de Janeiro O GLOBO in Portuguese 16 Feb 81 p 14] 8834

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## LABOR LEADER MANUEL BUSTOS INTERVIEWED

Santiago HOY in Spanish 18-24 Feb 81 pp 19, 21

[Interview with Manuel Bustos by Malu Sierra: "How a Leader Was Made"]

[Text] From his peasant childhood, he reached the front rank of the worker struggle. Is he a Latin American Walesa?

Not even to the most skillful publicity expert among those who "manufacture" images would it have occurred to dream up for a labor union leader a complete history as the history of Manuel Bustos, the leader who was jailed one month ago and who is today free on bond while the government is asking a sentence of 5 years and one day for him.

At the age of 13 he began to work with his adoptive father at the San Enrique estate near Santo Domingo, where he was born. Natural son of a very young mother, he was given up for adoption to an illiterate peasant couple who wanted him as one more son and who gave him every education they could afford. Until sixth grade he would walk to the public school every day for a distance of 4 kilometers. But they needed him to help in the house. At the age of 14, he took over the 6 blocks of land to which his father was entitled and where he was able to plow, plant, fertilize, and harvest. At that time also he was able to buy his first pair of shoes and to get rid of his sandals.

Ever since he became intellectual aware, he has been interested in social problems. He would meet with the other boys at the estate to talk about common concerns and to form an incipient labor union organization.

#### Going to the Big City

But at the age of 18, he was drafted and he did not return to the farm. In his regiment, he took courses up to the second year in the field of humanities and when he came out was a reserve corporal. Since the situation at home had improved, he decided to try his luck in Santiago. His first job was as a waiter in a restaurant at 13 Gran Avenida. He slept in a corner until he had some money to buy a bed, rent a room, and look for a better job.

He first worked at the Andina textile mill, a small outfit, and then in Sumar, as apprentice mechanic. Before a year was over, he was already labor union delegate

for the second shift; at the same time he was learning to be a textile mechanic, a job which he still holds in the same section where he started.

He has an open and friendly smile. When he fights, he is cutting and definitive. Most of the time, he is seized by a kind of ancestral sadness.

He talks rapidly, as if he did not have enough time to say everything he wants to say. As if his life was too short to do everything he wants to do. He has a very clear mind and an intelligence which many people recognize in him but the thing that is most noticeable perhaps is his unobtrusive valor. A kind of dry courage.

Instead of becoming a Marxist, he became a Christian. "Because I believe that man is born free and must live free. Society must never restrict the freedom of the individual and Marxism contains points which restrict freedom. Christianity possesses a sense of liberation which involves service to the community."

During the time of the Popular Unity, he was against sectarianism which accused all those who were not unconditionally behind the administration as being fascists and antipatriots. During that regime, the struggle was even tougher. He was jailed for the first time, charged by the Ministry of Interior with false representation as president of the National Labor Union Coordinating Office, just like Secretary-General Alamiro Guzman.

While he was in prison, initially in a big hall with another 200 prisoners of all kinds (who in the end became friends and even sent him a bronze plaque), hundreds of persons and delegations came to offer him support. From Leon Vilarin and Bernardino Castillo to Carlos Frez and the group of The Ten. From Eduardo Frei and Bernardo Leighton to the very last grassroots leader. His eldest daughter--13--also came very firmly, he tells us. As for his adoptive mother, who is sick, she got even worse thinking that something bad might happen to him.

At the age of 36, Manuel Bustos says that he does not pretend to become another Lech Walesa: "I am only a grain of sand in the cause of many labor union leaders who believe in man and we want a decent, humanist, and Christian society for a people who has dignity, such as our people."

According to him, conditions in Chile are completely different from those in Poland. "Lech Walesa was able to leave his country, to go to Rome, to make speeches, attend meetings, talk with the authorities--and all of this with an organization that has no legal status. Of course, that took many years. His great achievement was to build unity. We still have problems deriving from the fact that we are completely scattered because the administration has done a good job in dividing the labor union movement."

[Question] The administration accuses you of not being representative. Whom do you all represent?

[Answer] The Coordinating Office is an agency which sprang up on request of a number of grassroots labor unions and federations. Before the Labor Plan, we were already a labor union coordinating organization and our representation sprang from

our own labor union organizations. I was vice president of the Textile Federation and president of the Sumar Union. Starting with the Labor Plan, the administration left us without any ability to run for the office of labor union leader since the decree-law prohibited leaders from being reelected.

[Question] How were Guillermo Medina or Bernardino Castillo able to continue then?

[Answer] Because after that the administration pretended not to see all of the resultant renewals in office and that requirement was not set up. During the first phase, there were elections only in the private sector and not in the government enterprises, nor in government agencies, which left within the system a majority of leaders who backed the administration. In 1978, the sweep was conducted only in the worker labor union movement in the private sector with the intention of neutralizing the heart of the labor union movement.

[Question] In other words, in accordance with that legal approach, you do not represent the workers?

[Answer] According to the labor plan--no. But it is not the administration which must give us representative status; instead it is the workers and they gave that representative status to the Coordinating Office on repeated occasions. Our organization sprang from a large number of unions that signed documents supporting us and that gave us power to represent them on certain labor matters.

[Question] But to whom could you represent them if the administration denies your representative status?

[Answer] The administration does not accept anybody who demands justice in favor of the Chilean workers. On the other hand, it does accept and receive organizations, such as the Labor Front which, like the Coordinating Office, does not have any juridical status. These are very small organizations, only on the level of the top labor union leadership.

[Question] So, what next?

[Answer] We workers are convinced that it does little good to tell the authorities that we are representatives by engaging in a simple dialogue. This is why we are not concerned with administrative authority denying us our representative status. But we would indeed be worried if the workers were denying us our representative status because that would mean that we were not in step with their needs in this struggle. And we are also worried because inside the administration and the armed forces they do not want to understand that the administration's political and social blueprint is anti-labor and that they cannot achieve anything by denying representative status to those who advocate the real interests of the workers.

We exist even though the administration denies us and does not receive us because through our action and through our unity, we are, tomorrow or the day after, going to make sure that this regime will understand us or listen to us.

[Question] What are the workers ready for? Why is there no idea to the effect that they are very valiant?

[Answer] I believe that even the authorities have that idea. That we have been cowards in defending a series of rights which we acquired but which were taken away from us. To defend sources of work, job security, and another number of things. But we have had an interesting experience: All strikes which have taken place recently have been strikes that failed in terms of demands although they were highly positive when it comes to losing fear and accepting the indispensable regrouping of the labor union movement. Today there is a much greater awareness of the fact that we must fight for our own interests than was the case a couple of years ago. Today the workers know that they have to provide impetus for a solidarity movement and that they have to be able to take steps and that they cannot let it go simply with public statements, nor with the mere desire to have things settled somehow.

[Question] What role do you believe will the labor union movement play the moment the new constitution goes into effect?

[Answer] I believe that we are still liable to have considerable difficulties because under the constitution of General Pinochet, labor union crimes are turned into common crimes.

[Question] And what role do you expect to play?

[Answer] We are going to continue where we are and we hope to have submitted our national petition by March, as was decided at Punta de Tralca. This is a petition addressed to the government because it is the only one that can change things. We are ready to run the risks that may be necessary until we get the government to listen to us and to amend the laws that harm us.

[Question] Do you believe that the workers are capable, for example, of going out on a general strike?

[Answer] Something is beginning everywhere. In this case, it means proposing the demands of the workers and the people. And whoever starts out, assumes that the utmost will be achieved. Why not in Chile? But, whether we win or lose, we are sure that we are now going to begin this great undertaking in presenting our petitions to the administration. This will make it possible to start a chain reaction until the moment comes when we are capable of defending ourselves together.

[Question] Your future is not exactly auspicious if the judge sentences you to the prison term the government has been asking for.

[Answer] I am quite calm and so is the Coordinating Office. If the government succeeds to send us to prison, we are going to continue to direct the organization from prison and we are going to continue to work. This is what happened while I was in jail because that is where we agreed to have a general meeting and that was actually done. If the administration and the justice ministry believe that we have committed a crime in representing the workers concerning their worries, then we are ready to accept that. Besides, this is not a life sentence. Some day we will be free.

[Question] But being in prison is no picnic.

[Answer] Yes, I know things are going to be very tough. But while we have an authority that can do this and much more, being a prisoner, just so long as your life has been spared, means that you can thank the Lord many times. Besides, if we are going to be put in prison, we know that many more will step forward.

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## ANALYSIS OF ARMED FORCES' OPINIONS DISCUSSED

Santiago HOY in Spanish 25 Feb-3 Mar 81 pp 7-9

[Article by Ignacio Gonzalez Camus: "The Armed Forces--an Establishment to be Explored"]

[Text] Because of its important role under the current regime, there is a growing tendency to analyze military thinking.

When the military abruptly in 1973 became the leaders of Chilean political process, one could say that they were unknown quantities. How should one describe their innermost psychological makeup in relationship to government and power?

But, by abandoning their mythical seclusion and the moment the smoke from the fire at La Moneda Palace had drifted away, they were indeed within easy reach. Through what they said and what they did, they became subjects of sustained study. It is assumed that any change leading to a new political situation must go through them. Thus, the mere invectives following the change in regime 8 years ago ceased to have meaning.

The most recent investigation, which seeks to reveal the line of conduct and the motivation of the military establishment is entitled "Chile, Democracia, Fuerzas Armadas," written by the sociologists Augusto Varas, Felipe Aguero, and Fernando Bustamante. The study was sponsored by FLA'SO (Latin American Social Sciences School). It covers the time from the end of the Pacific War until the current era.

But the military are not only an object of theoretical curiosity. They are up front and they move as protagonists. It is quite understandable that many eyes and ears try to find out what is happening to the military in their government functions. In this way, facts and sometimes only echoes filter out. The veil and the camouflage with which they surround themselves instinctively and professionally continue to be lifted.

## How to Converse

These are hints which will help us in getting closer to their world. We know that the "open approach" for example maintains a pragmatic and reasoned attitude; to get along with the military, you have to go along with the vertical chain of command, without troubling yourself too much about the other echelons.

The entire procedure can be understood better in the light of what was said thousands of kilometers away, in Mexico, by the former president of the defunct FECH [Student Federation of Chile], Antonio Cavalla to the effect that "Central government authority is entrusted to the top officials and boils down to the military high command as such." This is what makes it possible periodically to point out to the high officials that the Armed Forces are not in danger of becoming politicized because almost all of their members concentrate on their career functions.

Curiosity regarding the way in which the group of high officers distributed in ministries and other departments operates has led to the detection of a certain amount of friction, particularly with the economic team. The civilian brain in that area is the finance minister and he has continued to remain rather anonymous. The practice of going unnoticed extends the political life expectancy of any executive in the system.

#### What the Law Says

But the existing friction does not emerge as a discrepancy between uniformed personnel and civilians; instead there are disagreements with ideas and impersonal principles.

Here is one particular case: Although Channel 11 (managed by an army colonel) opted for a policy of "commercial competition," the pro-rector [acting president] of the "U" [University], Alvaro Saieh, did not provide funds for implementing this policy, nor did he relieve the station of its heavy debt which had been carried over. His attitude was not that of a civilian who was placing obstacles in the way of a military man but that of a spokesman of the law which was very much beyond his own desires.

The intention of making sure that this scheme would not be threatened and that, on the other hand, it would become more profound, has persuaded the "open-approach people" most closely connected to the economic groups to engage in some risky allusions.

Gen Aston Frez, executive president of CODELCO [Copper Corporation], emerged as a tough defender of the continuation of that enterprise as part of government property. It was maintained unofficially that an offer came a year ago from private capital to purchase the enterprise. But military groups--it was added--opposed the idea, citing profit figures. Topside decided to go along with them.

Frez' political attitude caused the "open-approach policy" magazine REALIDAD to hint that the General "does not conceal his lack of affinity to the economic team." It added a suggestion to the effect that he wants nothing for himself; he is a leader of the young army officers and "with unusual forcefulness argues among the general officer corps of those in uniform," revealing "his awareness of the power of his opinion."

In the periodical COSAS, newswoman Raquel Correa had pointed out that "It is being said that, in debates with civilian members of the cabinet, (Frez) usually recalls that the Armed Forces run the country."

It was said that Gen Alejandro Medina Lois himself (currently deputy president of the "U") at the time detected a certain type of only insinuated press criticism on account of his reluctance to turn health over to private control when he was minister of health.

#### Pointing an Accusing Finger

But there are other ministers and high military officials who completely go along with the current economic line. Concern arises among the "open-approach people" and in the economic team only when reminiscences of "statism" come up. REALIDAD asserted that the appointment of Jose Luis Toro to the agriculture ministry (he is described as being very sensitive toward medium and small owners) "causes a natural uncertainty in the most serious and responsible government sectors."

In practice, and except for momentary obstacles, the return to private control--as the essence of modernization--is going well. COEPC [Chilean Oil Company], with majority control held by the Cruzat group, has ceased to be a "strategic enterprise," which means that the four men in uniform, who constituted the board of directors, ceased to belong to it.

Parallel to this, we detect the intent of the civilian "nationalist" sectors to come up with a rather suspicious interpretation of current events. They do so on the occasion of contacts with uniformed personnel. Their assumptions are of the type, which are usually revealed openly only in the course of friendly little chats. What is behind the measures or attitudes (taxicab rates, Polla Gol, the acid references to the Catholic Church) which had to be corrected by the chief of state? Are they simple offhand remarks? What is the force that keeps the dollar pegged at 39 pesos?

It has been noted that "nationalism" feels that it can do as it pleases in conversations with officials. It could not be otherwise, the moment one considers it the most genuine civilian extension of the military spirit.

Nevertheless, it is almost impossible to determine the magnitude of the background from which these noises come. Regarding the dissidents, the only thing that offers them scientific certainty is to continue the study of the armed forces.

And Varas, Aguero and Bustamante say so: They hope that interest in the topic "will spread so as to permit the reproduction of various types of analyses which, coming from many and different perspectives, point in that same direction." And this seems to be confirmed by scientists such as Frederick M. Nunn, of the United States, who published two studies on the Chilean military in the CUADERNOS of the Political Science Institute of UC [University of Chile].

## National Mythology?

"Chile, Democracia, Fuerzas Armadas" maintains that there has always been a deep link in the country between the military and the political establishment. The idea of politically lethargic armed forces, which prevailed until 1953, is "a myth spread for a long time in civilian awareness."

The three sociologists assert that what really happened during the time of "formal constitutionalism" was very different: "...that period of time reveals--more than the absence of the military from civilian affairs--an absence of civilian leadership over the armed forces." In plain language: The politicians did not know how to establish a channel to satisfy the aspirations of the military establishment.

And the book repeats an idea mentioned in other studies: The armed services had no ideological blueprint of their own when they took power in 1973. The alternative which the economic right had to offer managed to win the support of the military because it seemed to respond to the fundamental problems that the military faced in the midst of their apartheid.

Analyzing the armed forces is a reasonable job, demanded by the circumstances. Proposing, from the opposition, a scheme which would fill the earlier vacuums in the civilian-military power game may appear to be untimely if we look at the situation with a simplifying approach.

However, the task is being accomplished. The "Group of 24" is polishing up a "charter" which covers all future relations. The research by FLACSO accepts this proposition as an adequate formula. From their position, shielded from the noise and alien to the skepticism with which one could observe their advance, the dissident constitutionalists are working out a framework which, some day, will imply a return to a definition of the armed forces as a career body, not a deliberative body, subordinated to civilian authority. A body which, in addition to its "duties" and "rights," will also contemplate clear participation of uniformed personnel in the social process.

5058

CSO: 3010

## JAIME CASTILLO DEFENDS HUMAN RIGHTS APPROACH

Santiago ROY In Spanish 25 Feb-3 Mar 84 / 1D

[Article by Jaime Castillo Velasco: "Human Rights and Terrorism"]

[Text] "Jimmy Carter always thought that, to rid itself of the stigma of Vietnam, all his country had to do was to present itself to the world as the defender of the oppressed and, without distinction, he included among them the extremist movements that employ terrorism" (Jose Maria Navasal, EL MERCURIO, 17 February).

This quotation contains two improper assumptions. On the one hand, it attributes to Mr. Carter the kind of thinking which he never expressed in that way. At the same time it implies that the statesman quoted here lacks reason to justify his position. It supposedly is not for a humanist ideal that he defends human rights but only out of self-interest.

On the other hand, the writer of the article imputes to Carter the idea that the terrorists must be considered among the oppressed, something which he likewise never maintains in any way.

What seems to be the truth however is something entirely different. After one of Reagan's spokesmen declared that, from here on in, the problem of terrorism is more important than the problem of human rights, many others have come out on the basis of imitation or slogans in sustaining the absurd argument that defending the fundamental rights of any individual means being an accomplice of terrorism.

This statement only comes from the brains of those who identify themselves with dictators in their desire to consolidate state terrorism.

Viewed in this fashion, the entire matter becomes completely irrational. The act of terrorism violates rights like any other crime. Why should the defenders, the Democrats, the humanists, have to be partisans of that horrendous type of crime? Were the drafters of the Universal Declaration of the Rights of Man that by any chance?

The only point under discussion involves the methods used in repressing terrorist acts. The rights of persons always prevailed and implied duties toward others. The state must defend society without violating fundamental rights; otherwise the

state would become a criminal itself. There are standards based on the law and on ethics for the defense of society. Regardless of the crime, they must be complied with.

The criminals are in jail. Does that justify their being tortured or murdered? Mr Navasol is cultured man--but would he justify the death squads?

Terrorism is a bestial act which must be repressed by the methods of civilization, not terrorist methods. That is the meaning of humanism: The use of means in accord with the ends.

When outstanding persons speak out to establish a relationship of complicity between crime and the defense of human rights, this means that irrationality has taken hold of men. And this always has only one cause: The cause of defending political situations which quite obviously suffer a serious defect. In this case, the defect of being tyrannies anxious to justify themselves.

5058

CSO: 3010

## U.S. EFFORTS TO FORM SOUTH ATLANTIC ALLIANCE DISCUSSED

Havana PRISMA LATINOAMERICANO in Spanish Jan 81 p 2

[Article by Carlos Mora Herman: "Against the Grain of History"]

[Text] The difference between \$1.3 billion and \$9 billion is no trifle; it comes to \$7.7 billion.

That was sufficiently close to expressing the difference between the annual average profit earned by the monopolistic enterprises of the United States and Latin America between the first half of the decade of the Sixties and the year 1977.

This is why it does not matter whether the party in the White House is Democratic or Republican; it will always try to guarantee United States hegemony over the continent.

The mineral raw materials and fuel which the United States needs to survive come to a good deal from Latin America.

Out of the 20 principal types of raw materials, which that big country to the north imports, 13 come from Latin American soil.

The dependence of the United States on Latin America regarding raw materials that are basic for its economy can be understood if we realize that 99 percent of the tin concentrate going to the United States is Latin American; the same is true of 47 percent of copper, 35 percent iron mineral, 96 percent bauxite, 88 percent niobium, 71 percent beryllium, 57 percent lead, 53 percent molybdenum, and 75 percent petroleum products.

Washington knows that it must be assured of access to those storehouses of natural resources represented by the Latin American countries.

It has not always been easy to convince the Latin Americans of this presumed right which the rulers of the United States arrogate onto themselves on the Continent.

When that did happen, the United States rulers did not hesitate to use force.

The Inter-American Mutual Assistance Treaty also called the Rio de Janeiro Treaty, signed in 1947, gives Washington an opportunity to interfere in the internal affairs of the countries south of the Rio Bravo.

Some 50 bases and military facilities scattered throughout the Continent serve to implement the policy of force pursued by that empire.

It suffices to cast a glance on the map to realize that the so-called "oceanic strategic" of the United States has its critical point in the zone of the Caribbean where it has been boosting its naval forces continuously in recent years.

In May 1980, around 42 warships, 350 combat aircraft, and some 20,000 men were concentrated in that area.

Key West, in Florida, is the center of those United States "deterrent forces" which, according to the periodical CHRISTIAN SCIENCE MONITOR are commanded by an admiral, a brigadier general, and some 200 general staff officers.

That old idea of creating a new military maritime blockade in the South Atlantic has not been abandoned by Washington and continues to be very attractive to the Pentagon.

Recently, a scientific study, entitled "The Security of the Free World and the South Atlantic," was disseminated on a restricted basis; the study states that the military maritime blockade must guarantee the supply of raw materials since, out of the 25,000 vessels annually sailing the South Atlantic, the vast majority is in the service of the huge United States transnational corporations and since the NATO countries receive up to 80 percent of the petroleum and 70 percent of other materials considered strategic along that route.

The seminar held in Washington with the participation of political and military specialists from the United States, Great Britain, South Africa, and various South American countries dealt with the participation of warships from those countries in the blockade and it was decided that the South Atlantic would be considered to be within the action sphere of NATO.

Naval maneuvers were held in the Caribbean in October 1980 for the main purpose of landing United States Marines at the Guantanamo base (on Cuban territory).

Vast military resources were employed in these maneuvers, including the helicopter carrier "Nassau," two amphibious vessels (the "Plymouth Rock" and "Spartanburg County") which carried on board units of the 38th United States Marine Landing Group, plus tanks, a howitzer battery, AT guns, mortars and heavy machineguns.

This operation was dubbed "Reinforcex" and a newsman from the LPI agency quoted an official who said that the purpose of the exercise was "to demonstrate that we have the equipment and the capability of occupying the Bay of Guantanamo and taking that region."

It is a fact that the rulers in the United States assign great significance to methods of military force in their foreign policy, especially relating to Latin America.

This is why they try to seek support from the military forces in the countries on the Continent and have no scruples whatsoever in allying themselves with the most regressive regimes, such as those of Chile, Uruguay, Paraguay, Bolivia, Argentina, Brazil, Haiti, Nicaragua, under the tyrant Somoza, and today El Salvador, Guatemala, and Honduras.

All of this is done under the slogan of "common fight" against "communist subversive activities."

The idea is to put a wall up against the advance of the Latin American revolution, to guarantee the backyard of the empire, and to keep the largest number of countries of the region within the capitalist system.

In summary, this means going against the grain of history.

5058

CSO: 3010

## U.S. COMMITTING AGGRESSION AGAINST SALVADORANS

PA281333 Havana International Service in Spanish 2310 GMT 27 Feb 81

["Our America" commentary]

[Text] A day does not go by in Washington without threats of a direct U.S. intervention in El Salvador to prevent the genocidal Salvadoran Christian Democratic-military junta from being defeated. What is even worse is that these are not just threats. The fact is that the U.S. Government is carrying out new and more dangerous aggressive actions against the Salvadoran people. President Ronald Reagan, his Secretary of State Alexander Haig and his main advisers are making those threats to try to justify the accusations that Cuba, Nicaragua, the USSR and other countries are sending arms to the Salvadoran patriots.

White House special envoys have been to Western Europe and Latin America in a fruitless campaign to get U.S. allies to back up a U.S. marines intervention in Salvadoran territory. At the same time, the U.S. imperialist news media are conducting an intense campaign to prepare the people in the United States and the rest of the world for the landing of U.S. marines in the fatherland of Agustin Farabundo Marti. Furthermore, the Pentagon has just announced that it is sending to El Salvador more military advisers and new and modern military equipment, especially designed for anti-guerrilla warfare. There is even talk of an imminent naval blockade of El Salvador and Nicaragua, which the U.S. Government says has been requested by the Salvadoran Christian Democratic junta.

The Farabundo Marti National Liberation Front [FMLN] and the Revolutionary Democratic Front [FDR] have alerted the international community to the aggressive escalation carried out by U.S. imperialism, and they categorically denied that the Salvadoran rebels have received arms from Vietnam, Cuba, Nicaragua, the USSR or from any other country. In a joint communique, the FMLN and FDR say that the evidence that the U.S. State Department claims it has to prove the alleged intervention of other conflicts in the Salvadoran conflict is absolutely false.

Furthermore, the Reagan administration has no moral authority to accuse other governments of giving military aid to the Salvadoran revolutionary forces. It is the U.S. Government and not those it is accusing, which is intervening in El Salvador and threatening peace in this continent, the FMLN and FDR pointed out.

Meanwhile, Salvador Cayetano Carpio, member of FMLN general staff, said that it is not El Salvador or Central America which are trying to make another Vietnam out of this area. It is U.S. imperialism, Carpio added, which in the eyes of the world is taking the same steps as it did when it began the aggressive escalation against the people of Vietnam. And it was in heroic Vietnam that U.S. imperialism suffered its most shameful defeat; a fact that those who are promoting in Washington the aggression against the Salvadoran people have forgotten.

CSD: 3010

## IDEOLOGICAL DIFFERENCES WITH U.S. NOTED

FL271528 Havana Voice of Cuba in English to North America and the Caribbean  
0500 GMT 27 Feb 81

[Text] Here is a commentary on the ideological struggle between Cuba and the United States:

There's a major ideological struggle going on between Cuba and U.S. imperialism and will continue for many more years. Why? Well, just look at the U.S.' attitude towards the Cuban revolution. Washington refuses to accept the existence of a revolutionary and socialist Cuba, a status which was freely chosen by its people. Washington also refuses to admit that Cuba has once again and forever freed itself from the imperialist claws which completely subverted Cuba's politics, economy and entire life to imperialism's dictums. That's why in this ideological struggle, Cuba's national and patriotic feelings play such an outstanding role.

When Fidel Castro said principles are not negotiable, he was saying that the Cuban people would rather disappear than surrender to Washington's power and that the Cuban people considered themselves free to hoist the three banners of their revolutionary standing. First, to continue to build socialism 90 miles from the American empire. Second, to continue to be a loyal friend of the Soviet Union and third, to go on with its internationalist policy.

Now that hawks are again in the White House, threats against Cuba are being freely thrown about and charges against Cuba are being constantly fabricated. Fidel Castro reiterated the presence of those threats during his speech Tuesday at the 26th Congress of the Soviet Communist Party. There are voices 90 miles from our coasts that are calling for our destruction, voices which are openly threatening us and calling for a military blockade against our country. They are even discussing more drastic measures to wipe our socialist Cuba's example from the Americas and punish the Cuban people for their friendship with the USSR and the other socialist nations and for their solidarity with the African peoples and the world revolutionary and progressive movement.

The Second Congress of the Cuban Communist Party launched the slogan, production and defense. It means that Cuba will continue to produce and develop while at the same time oiling their arms and ready just in case U.S. imperialism wishes to turn its threats into a real attack. That's why the new territorial militia has been created. It's Cuba's militant answer to Reagan and to his ultrareactionary associates.

Fidel has said that Cuba will never reject the olive branch but it will respond energetically to any kind of aggression. Speaking to the Soviet congress, Fidel emphasized socialism has shown that it can defend itself, that it never trembles no matter who the enemy is and that the revolutionary peoples will spare no efforts or sacrifice to preserve their right to life, independence, just ideas, and the well-being and peace of present and future generations. Fidel Castro recalled that the Soviet Union has always been a firm friend of Cuba and that the Cuban and Soviet friendship will never break and that the Cuban people will never be ungrateful, opportunistic or betray that friendship.

CSO: 3020

## SPECIAL COURSE FORMS CADRES TO COMMAND TERRITORIAL TROOPS

Havana VERDE OLIVO in Spanish 22 Feb 81 pp 34-38

[Article by Jorge Luis Blanco: "Here They Talk of Love"]

[Text] "The Militias of Territorial Forces sprang up the way people's armies have historically been created by the Cuban people: They sprang up as the Mambi Army as the detachment that assaulted the Moncada Barracks as the Rebel Army, and the Militias of the first years of the revolution." (Fidel)

This report from the very beginning was designed to start in the classrooms of the "General Maximo Gomez," FAR [Revolutionary Armed Forces] Academy where intensive refresher courses are currently being given to command personnel of the Militias of Territorial Forces.

But, by some quirk of circumstances, while I was riding in a city bus to get to that military training center, a corpulent man wearing the uniform of a militiaman sat down next to me and we got to talking quite naturally, when he started a fast conversation with a remark which is quite common nowadays:

"Boy, is it cold, buddy!"

I nodded in agreement while he thrust his hands into the pockets of his olive-green overcoat, trying to bring warmth to his fingers that were frozen by this severe winter.

"I think if the driver does not step on the gas, I will be late for my formation," complained the militiaman, while he impatiently looked through the window.

Then, perhaps indiscretely, I asked him:

"Are you going far?"

"To the FAR Academy," he replied. "I am taking in course they are giving there for command personnel of the Militias of Territorial Forces. Perhaps you have read about it in the press? We have a field exercise today. I had been out on pass. But I am going to be late!"

However, neither he nor I arrived late. The militiaman made the formation in time and the newsman had already begun his work. Much earlier than he had imagined. And not exactly in the classroom either.

#### In Parentheses

The missions carried out by the Militias of Territorial Forces to defend the country are broad and varied. As our commander-in-chief put it. The idea is to replace and supplement the regular units of the FAR whose combat deployment so requires. By virtue of their knowledge of the terrain and their mobility, the Territorial Forces units will be especially effective in the fight against airborne landings, to stop groups of subversives, to participate with regular forces in combat operations, to provide security for the movements of FAR units, to watch and protect factories, work centers, bridges, railroads, highway junctions and installations of all kinds, and to accomplish missions involved in irregular warfare in the case of occupied territories."

Of course, with the spirit and consciousness of our people, one can effectively tackle those missions. And the enemy does not doubt that either. But that is not enough; the units of Militias of Territorial Forces must also have highly skilled command personnel--and this is a factor of the utmost importance--who at a certain moment will be capable of guiding combat operations with assurance and resolution.

This is precisely the purpose of the militiamen who are taking the course for command personnel at the FAR Academy and the instructors who with equal enthusiasm and dedication each day pass their knowledge on since they are fully aware of the historical importance of this call from the fatherland.

#### Militiamen

Yasmeli, the eldest of the daughters of Roberto Govin Hernandez, never gets tired of telling her classmates in school that her father was one of the brave men during the fighting in the Bay of Pigs as a member of the 209th Battalion. And since she was not born yet at that time, he pursued the bandits in Escambray from hilltop to hilltop. In her little purse she always carries a photo of her father, taken by a photographer whose name Roberto does not remember and who took the picture during the difficult days of the October [missile] crisis in a trench in the sand along the coast.

"Now she wants to have a photo of me attending this course," says Roberto. "I hope that you can help me. Can you?"

"How are your studies going now?"

"Very nicely. But to tell you the truth, this situation is nothing new for me; I was an officer in the FAR for several years. I graduated from the Fourth Cadet Course of the "General Antonio Maceo" Inter-Service School. I am familiar with all the subjects they are teaching; the only thing is that I must now refresh that knowledge which I acquired while I was in the regular forces. Nevertheless, scientific-technical-military development keeps progressing and that forces us to learn things we do not know. For example, communications equipment has developed considerably since I was discharged from the FAR.

Roberto Govin Hernandez is chief of human resources at the Colon poultry enterprise in Matanzas. He is a party militant and wears the "20th Anniversary of the Assault on the M6ncada Barracks" commemorative medal.

"What can you tell me about the output at your work center?"

"First of all I would like you to know that all personnel at the enterprise, who met the established requirements, submitted requests for joining the militias. But the workers apparently understand, as our commander-in-chief put it, that "The country's defense is not an exclusively military phenomenon but is also a combination of measures of a political and economic character, aimed at creating the conditions necessary for confronting danger and winning victory."

"Everybody realizes the importance of increasing the output and we pledged to increase the output this year. In this way we will contribute to what Fidel said so correctly: 'Production for defense and work for victory.'"

#### Instructor

Lt Col Roberto Almeida Trujillo, the first instructor in the tactical department of the "General Maximo Gomez" FAR Academy, recalls that, precisely 20 years ago, at this very time, he was at the Matanzas Militia Officer School while he later on participated in the defeat of the mercenaries in the Bay of Pigs.

At that time it was he who was sitting in the classroom but now, motivated by the advanced training he has been able to get, it is he who does the teaching.

"He is an excellent tactics instructor," one of the militiamen told me. "Thanks to his knowledge and dedication, we have been able to make much progress during this intensive course which will train us to be command personnel."

Lt Col Roberto Almeida Trujillo today has his hands full. He is out in the field with his "pupils." The maps are spread out on the ground and, pointer in hand, he keeps repeating the study questions over and over again every time doubts come up in the minds of the future cadres of the MTT [Militias of Territorial Forces].

"The subject we are teaching right now," he notes, "is completely practical. This is a class where we spell out the missions which the minor units of the MTT will have to carry out in defense of cities."

The maps, the compasses, and the binoculars go into action. The instructor goes from one place to another, from one militiaman to the next, always ready to answer any questions the trainees might have.

"This is the nicest assignment I ever had," he admitted with a smile on his lips which never left him. "And they, the militiamen, help me accomplish my assignment successfully with their interest and dedication. I am sure that they will be magnificent command personnel!"

## In Parentheses

(At one time, a comrade told me that some dictionaries are so incomplete that one cannot imagine that they were correctly put together. This is true. I was just looking for the meaning of the word "love" in one of those little pocket dictionaries and I only found that "love is a feeling of passion toward a person of the other sex." Of course, there are other dictionaries which are more complete but in the dictionary I consulted, I only found that definition. Without using any other dictionaries, I thought that one can also love flowers. Or the fruits of the soil, or the creative worker, or the culture contained in books. There is also love when you defend your homeland with weapon in hand. When you see the militia uniform. So, these men are talking about love when they talk about the importance of training militarily to protect what belongs to them. And why not? Because they are the loyal lovers of socialism and what it represents. Yes, there are many forms of love.)

## Militiaman

Over there, in the Mil Cumbres area, in the township of Bahia Honda, in Pinar del Rio, there is a forestry enterprise which was created by the revolution. Like giants in search of the clouds, they rise, full of greenery, the eucalyptus trees, the cedars, the mahogany trees, and the pines. Deer, pheasants, and guinea hens roam its almost 100 caballerias. In the midst of this splendiferous flora and fauna, we encounter the forest ranger, a man who takes care of the preservation of prodigious nature here.

Every morning, long before the cock crows to announce a new day, Jose Maria Gonzalez mounts "Piruli," his sorrel horse, and starts out to cover the entire area assigned to him. Not a single poacher escapes him, nor any other abnormality which the game warden always goes after resolutely.

But now, "Piruli" is back in the stable, without its master, because Jose Maria Gonzalez is also a militiaman and had to leave in order to train as command cadre for one of the units of the MTT in his township.

"I was a member of the FAR," he tells me. "I am a reserve lieutenant. When I finished my Active Military Service, they suggested a big job to me but I decided to return to Mil Cumbres because my life is in those woods and their animals."

A comrade who was present during the conversation I had with Jose Maria interrupted to tell me jokingly:

"I imagine when you get back to your hometown, you are going to want to give combat training instruction even to your horse! Because they say that you have to pass everything on you have learned here to everybody else there. And that everybody else of course includes your horse!"

Jose Maria is the first to laugh about the remark made by the militiaman. And without stopping to laugh, he replied:

"You are saying that in jest. But 'Piruli' is a smart horse. If the Yankees come, they are also going to have to reckon with that horse. At least the horse can kick real hard."

Jose Maria Gonzalez is a great talker and a good forest ranger, plus an excellent militiaman. And as you watch him during classroom lectures and exercises, nobody can doubt that he will be an outstanding command cadre of the MTT.

#### Instructor

Training the command personnel for the MTT at the "General Maximo Gomez" FAR Academy implied hard work for the entire faculty and the rest of the personnel assigned to this mission.

"This is a really intensive course," says Lt Col Luis Mirabal Vega, "both for the militiamen and for the instructors. Classes are being taught every day throughout the week, including Sundays. We work hard but we are aware of the historical role we are playing."

Lt Col Luis Mirabal Vega explained to us that the instructors at the FAR Academy have also pledged to donate a day of duty throughout the current year and to march to the townships to contribute to the military training of the rest of the militiamen.

"Could you tell me something about the results achieved by the militiamen?"

"They are very good, comrade! We have been doing daytime and night-time firing with infantry weapons and the results could not be better; they are excellent. And the same thing is true of the other subjects. They will undoubtedly be magnificent command cadres in their respective units.

#### In Parentheses

("You are the first command cadres of the MTT; you are the first links in an endless chain which will end with the formation of well-trained territorial troops, consisting of the best of our people."

"You are now responsible for studying and studying hard and well, utilizing the teaching given to you at the 'General Maximo Gomez' FAR Academy, with its body of instructors who have a high level of tactical and operational skills and who will know how to impart to you the knowledge which they have gained over 20 years of revolution during their professional military careers as well as the eagerness they bring to this task.") (Remarks by Div Gen Abelardo Colome Ibarra during the opening of the intensive refresher course for command personnel of the MTT)

#### Militiaman

"My name is AbelCedeno Puga. I participated in the defeat of the mercenaries in the Bay of Pigs as a member of the battalion from the Matanzas Militia Officer School. I was with the 6th Company. How could I fail to remember that! What do I think of this course? Magnificent."

"I am now eager to return to Santa Clara to pass on the knowledge I acquired to the members of the militia units in my township. I have much to teach them. Yes, I am a reserve officer with the rank of First Lieutenant. I come from the Rebel Army which I joined on 28 October 1958. Right now I am director of a provisional polytechnical center where we train medium-level technicians in the construction field. Well, I have to go now, my tactics class is about to begin. Ciao!"

Instructor

Maj Luis Colon Sanchez

"I teach communications. But I am not going to talk about all the MTT command cadres have learned in this specialty; instead, I am going to touch on a matter of vital importance in accomplishing the mission assigned to the faculty at the FAR Academy: I am talking about the creation of the material study base which was accomplished in minimum time thanks to the effort of a large number of comrades. But moreover, the personnel at our military training center did something which I considered to be real big. Here is how you can put it down in your report: In just one month, we drafted, wrote, and published a manual which covers the entire material study base in all specialties, to be used by the MTT."

Final Parenthesis

(This report, which started in a rather unexpected fashion, will not have an end because the last words will be written within a few days, when the principal protagonists participate in the graduation ceremony for the First Command Cadres of the MTT.

That is when this reporter will finish his work. But for those militiamen, this will only be the beginning of a new phase in their work, aimed at consolidating and developing this truly popular army which is growing from one end of the country to the next.)

5058

CSO: 3010

## BRIEFS

MINISTRIES' AGREEMENT--PCC Politburo member Armando Hart Davalos and Central Committee member Jose Ramon Fernandez, ministers of culture and education, respectively, have signed in Havana a cooperation agreement between the two ministries for the 1981-1985 5-year period. The protocol signed by the two leaders gives special attention to the preparation of tasks directed at artistic education and aesthetic formation of the individuals as part of the study courses. The signing ceremony took place during a meeting of the directorates of the two ministries. Armando Hart made the closing remarks. [FL281709 Havana Domestic Service in Spanish 1200 GMT 28 Feb 81]

TORRALBA IN CAMAGUEY--Diocles Torralba, member of the PCC Central Committee and minister of the sugar industry, has pointed out in a Camaguey meeting the satisfactory progress that the sugar harvest is making in that province, and reasserted the confidence of the country's leadership in that the residents of Camaguey will be successful in the harvest. The minister underscored that for the first time Camaguey is processing 50 percent of the harvest in accordance with the sugarcane scheduled for grinding. He warned about improving the low yields in some areas. [Text] [FL281709 Havana Domestic Service in Spanish 1100 GMT 28 Feb 81]

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25 March 1981